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78

CITY AND COUNTY OF SAN FRANCISCO

# EMPLOYEES' RETIREMENT SYSTEM

SAN FRANCISCO CITY AND COUNTY

EMPLOYEES' RETIREMENT SYSTEM

ANNUAL REPORT 1977 - 1978

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SAN FRANCISCO CITY AND COUNTY

EMPLOYEES' RETIREMENT SYSTEM

ANNUAL REPORT 1977 - 1978

I. Retirement Board

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors on April 1, 1922 and is now in its 56th year of service to the employees of the City and County of San Francisco and the Classified employees of the San Francisco Community College District and the San Francisco Unified School District.

The System is administered by the Retirement Board which consists of seven members: The President of the Board of Supervisors; three active members of the System, elected by the membership; and three members appointed by the Mayor who shall either hold a degree of Doctor of Medicine or shall be experienced in life insurance, actuarial science, employee pension planning, or investment portfolio management. Each member appointed by the Mayor shall be from among a list of names submitted by a committee consisting of two members each of the San Francisco Medical Society, Bar Association of San Francisco, San Francisco Real Estate Board, and the San Francisco Chamber of Commerce; no more than one doctor may serve on the Board at any one time.

Members of the Retirement Board as of June 30, 1978 were: Leon Bruschera, Warren DeMerritt, and William F. Kidd, elected by the employee membership; Dean Anderson, Clayton Lyon, M.D., and Meta K. Stanley, appointed by the Mayor; and Dianne Feinstein, President of the Board of Supervisors.

The Retirement Board's major activity is to hear and determine applications for disability retirement, either ordinary, or industrially incurred. The following list illustrates the number and type of hearings conducted:

1977-78

No. of Board Meetings	29
No. of Applications	548
No. of Ordinary Disability Applications Granted	102
No. of Industrial Disability Applications Granted	166
No. of Industrial Disability Applications Denied	36
No. of WCAB Settlements Made	61
No. of Job-incurred Injury Determinations Granted	89
No. of Job-incurred Injury Determinations Denied	23



Retirement Board (cont'd)

The Retirement Board also authorized the payment of self-incurred medical bills in the amount of \$8,325.50. The cost to the City and County for payment of self-incurred medical bills for the past five fiscal years is shown below:

1973-74	\$ 31,285.09
1974-75	26,142.91
1975-76	12,507.44
1976-77	13,339.40
1977-78	<u>8,325.50</u>
<u>Total</u>	<u>\$ 91,600.34</u>

In addition to the activities outlined above, the Retirement Board considered and acted on a variety of other matters within the Board's jurisdiction: Investment of Retirement System funds; subrogation of settlements; death benefits; service retirements; birthdate corrections; contractual obligations; and the appropriation and transfer of funds for the administration of the System.

During 1977-78, the Retirement Board considered and adopted two new plans affecting members of the System: 1) The inauguration of a deferred compensation plan for all members (currently pending approval by the Internal Revenue Service); and 2) the investment of a portion of the System's funds in commercial real estate.

Sections 3.670, 3.671, 3.672, of the Charter give the Retirement Board exclusive control of the administration and investment of Retirement System funds derived from contributions of employee members and from contributions of the City and County. These funds now total \$851,865,422, an increase of \$66,465,357 over the previous year's amount. The investment of these funds is a great responsibility, since the goal of such investment is to obtain maximum yield without jeopardizing the principal upon which the retirement system benefits of the City and County employee members are dependent. There is a direct relationship between the yield on investments and the size of employee and City contributions required to meet the expense of retirement benefits. The Controller and the Treasurer act jointly as custodian for securities owned, and the Controller must ascertain that purchases by the Retirement Board are as required in Sections 3.670, 3.671, 3.672 of the Charter.



## II. Administrative Division

To carry out and accomplish the policies, directives and objectives of the Retirement Board, the Board appoints a Secretary-General Manager who serves as the Appointing Officer of the Retirement System. In addition, the Board appoints an Actuary. The position of Secretary-General Manager is subject to the civil service provisions of the Charter, whereas the Actuary serves at the pleasure of the Board.

The Retirement Board is also authorized to employ under contract a Consulting Actuary and such other consultants as the Board deems necessary for the effective technical administration of the System.

The General Manager, as Appointing Officer, serves in the capacity of a department head with all attendant responsibilities inherent therein, i.e., the appointment and removal of all personnel; determination of job assignments; administrative and management policies and directives, etc.

As Appointing Officer and Chief of the Administrative Division, the General Manager is responsible for the total operation of the Retirement System which currently consists of four major divisions: Administrative Division, Retirement Services Division, Investments Division, and Workers' Compensation Division. As of June 30, 1978, there were a total of 97 employees in the Retirement System, consisting of 66 permanent employees, 3 limited tenure employees, 5 temporary employees, and 23 CETA employees. A description of the activities of each Division is contained in this report.

In addition, the City Attorney's Office assigns a Deputy City Attorney to the Board. The Deputy City Attorney advises and assists the Board in all cases involving determination of eligibility for retirement and death benefits of members of the System, and renders legal advice and opinions to the staff on a variety of retirement matters governed by the Charter and the Administrative Code of the City and County of San Francisco. The Deputy City Attorney also represents the Retirement System in all litigation affecting the Retirement System. In addition, two Deputy City Attorneys are assigned to the Retirement System full time to represent the Retirement System on all claims filed before the Worker's Compensation Appeals Board.

The Administrative Division is chiefly responsible for: carrying out and implementing Board policies and directives; the preparation and dissemination of Board meeting calendars, case material and Board minutes; the development and implementation of a variety of management and personnel directives and programs; the conduct of surveys;





preparation and approval of the department's budget; direct liaison with City Hall, i.e. Board of Supervisors, Mayor's Office, Civil Service Commission, etc.; issuance of subpoenas; and the preparation and dissemination of a variety of reports and correspondence on all matters pertaining to the Retirement System.

The Retirement System is subject to stringent financial controls, investment policies and auditing procedures. The actuarial valuations of the System result from a joint effort of the System's Membership Services Division and a private actuarial firm retained under contract by the Retirement Board. This firm conducts a valuation study of the Retirement System each even-numbered year, and an investigation of the Retirement System each odd-numbered year. In addition, the private firm, in cooperation with the Membership Services Division, conducts actuarial surveys to determine the costs of proposed retirement legislation and the implementation thereof, as well as for the purpose of recommending contribution rates based on the System's mortality and financial status.

During fiscal year 1977-78, the Administrative Division engaged in, implemented or directed the following types of programs and projects:

1. The reorganization of the System, resulting in the consolidation of the Actuarial Division, Accounting Division and subsidiary activities into a more efficient service, the Retirement Services Division;
2. The development, preparation and adoption of new and comprehensive Retirement Board Rules;
3. The preparation and dissemination of Retirement System pamphlets for Miscellaneous Employees and Police Officers and Firefighters hired after November 1, 1976, under the new retirement plans;
4. The inauguration of a comprehensive orientation program for all employees of the Retirement System;
5. Instituted a comprehensive revision of all Retirement System forms, resulting in an award from the National Cash Register Corporation for forms design.
6. Fully implemented the Civil Service Performance Evaluation System for all Retirement System employees.

In conclusion, the Administrative Division prepared, carried out and implemented a variety of plans and programs on behalf of internal operations, Board activities, and relations with other City and County departments, including the San Francisco Unified School District. These plans and programs have resulted in improved services to the members of the System and better relationships with other agencies of City and County government.

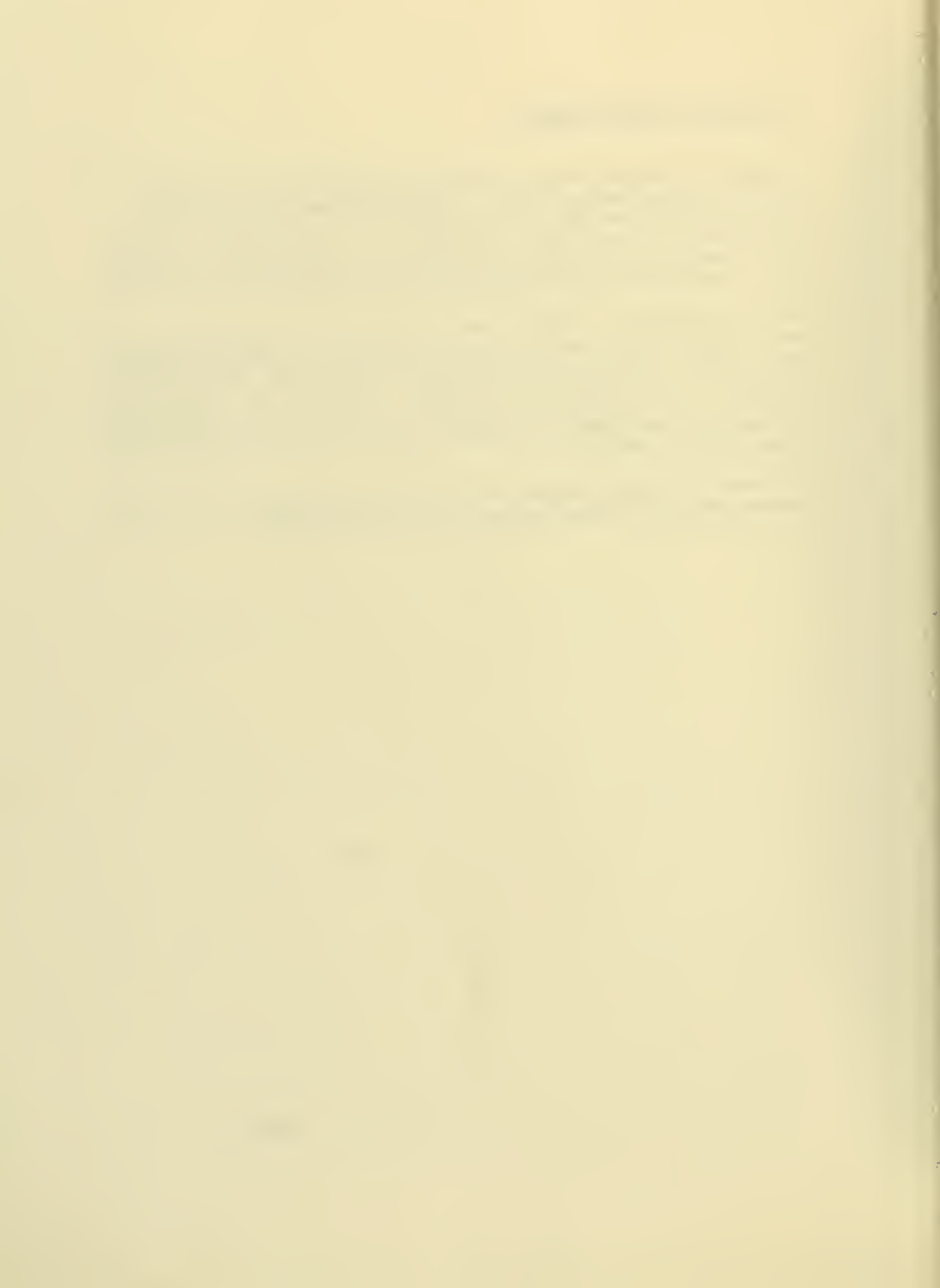


#### RETIREMENT SYSTEM PERSONNEL

Personnel vacancies due to unfilled positions during fiscal year 1977-78 were extremely heavy. 15% of the Permanent work force was lost during the period. Other personnel adjustments, directly attributable to these losses, extended to an additional 20% of the work force, so that approximately 35% of the Department's employees were reassigned to new duties during the fiscal year.

The actual number of employee man days lost in the loss-hire cycle, while significant, does not accurately depict the drain on productivity since training time required for both new and reassigned employees is not reflected in such data. Man days lost in the normal loss-hire cycle totalled approximately 190 man days. An additional 514 man days were lost through hiring freezes imposed by the Mayor's Fiscal Policy Committee.

The resultant salary savings were \$28,915 in addition to the \$52,631 savings mandated at the beginning of the fiscal year.



### III. RETIREMENT SERVICES AND ACCOUNTING DIVISION

During fiscal year 1977-78, the Accounting, Actuarial, and Membership Divisions were reorganized and consolidated into one division: Retirement Services and Accounting Division. This division is headed by an Administrator, Retirement Services. It establishes an autonomous unit with an administrator who has maximum responsibility and authority for one of the primary objectives of the Retirement System-Retirement Services.

Managerial responsibility for Retirement Services is reduced from three division heads to one individual who reports directly to the General Manager. This reduction in the number of persons reporting to the General Manager saves him time and simplifies communication and coordination in carrying out his policies.

It reduces the previous number of management levels within the three divisions and widens the scope of responsibility of supervisory personnel within the reorganized division.

Management can better direct itself to the division's primary objective, Retirement Services, and can shift personnel and resources to respond to various demands made on each section.

The prior organizational structure was less flexible. Each division had its own objective; and even though each contributed to the overall objective, the new structure coordinates these efforts in a more effective manner.

The effectiveness of the Retirement System and Accounting Division was demonstrated in the implementation of Proposition I and in the ability to process up to four times the normal number of applications for retirement due to the Passage of Proposition 13. Proposition I was passed in November 1977. It granted increased benefits to 1900 retirees. In May 1978, three months after the reorganization and consolidation, these benefits were paid to members.

Increased retirements occurred in May and June of 1978 as a result of Proposition 13 and the possibility of legislation which would eliminate a cash payment for accumulated sick leave.

The following is a summary and analysis of the work performed by the Retirement Services and Accounting Division.



## 1. MEMBERSHIP SERVICES UNIT

### MEMBERSHIP

The number of active members in the Retirement System fluctuates as new members are admitted and current members leave due to retirement, termination of employment, or death. The number of active members as of June 30, 1977 was approximately 24,453. This figure reflects the transfer of 5,164 teachers who elected membership in the State Teachers' Retirement System.

All new teachers hired by the San Francisco Unified School District and the San Francisco Community College District on or after July 1, 1972, are automatically members of the State Teachers' Retirement System only. All new sheriffs hired on or after January 24, 1973 are automatically members of the Public Employees' Retirement System.

### SOCIAL SECURITY COVERAGE OF MEMBERS

All Miscellaneous members of the Retirement System, except those who became members of the Retirement System prior to 1959 and who elected not to be covered by Social Security, must contribute to Social Security. Those members covered by Social Security may, however, reduce their contributions into the Retirement Fund by an amount equal to the Social Security payment, less the Medicare portion.

### CONTRIBUTIONS

Both the City and County of San Francisco and members of the Retirement System contributed to the Retirement Fund. Members contributed through payroll deduction based on rates effective July 1, 1977 as a result of the last actuarial survey. At its meeting of March 22, 1978, the Retirement Board approved a schedule of age-at-entry rates without regard to sex. Examples of rates for Miscellaneous members covered under Charter Section 8.509 are:

<u>Nearest Age at Entry into the System</u>	<u>All Members eff. 7/1/77</u>
20	5.86 %
30	6.65
40	7.86
50	9.69





# CONTRIBUTIONS (CONT'D)

During the coming fiscal year (1978-1979) the rates effective 7/1/78 will be:

<u>Nearest Age at Entry Into the System</u>	<u>All Members eff. 7-1-78</u>
20	6.54 %
30	7.27
40	8.44
50	10.08



The City and County contributed to the Retirement Fund at rates established as of the last actuarial survey. They are historically as follows:

<u>EFFECTIVE DATE</u>	<u>MISCELLANEOUS</u>	<u>POLICE</u>	<u>FIRE</u>
	<u>8.509</u>	<u>8.544</u>	<u>8.568</u>
	%	%	%
July 1947	11.34	17.47	
July 1949	11.34	26.85	17.98
January 1950	12.162	26.85	17.98
February 1952	12.306	26.86	17.98
July 1953	12.553	21.062	21.662
April 1956	12.724	21.576	21.662
July 1957	12.898	19.714	27.775
October 1959	11.412	18.112	25.580
April 1960	10.411	18.112	25.580
July 1961	6.236	17.268	15.802
July 1964	5.166	15.798	12.791
July 1969	11.205	27.204	24.498
July 1971	11.502	29.877	25.782
July 1973	12.819	33.188	30.478
July 1974	16.813	33.188	30.478
July 1975	16.239	57.605	45.107
July 1976	18.47	73.90	61.09
July 1977	17.86	71.62	65.17
July 1978	20.05	86.65	89.75



## CONTRIBUTIONS (CONT'D)

The City and County made contributions for payment of prior and current service benefits for policemen retired under Section 8.540 and 8.542, firemen retired under Sections 8.565 and 8.566, and for others, including matching funds, for Miscellaneous employees retired under Section 8.507.

Effective November 2, 1976, all new members of the Retirement System are covered under new charter sections and contribute their share at the rate of 7.5%. The City and County contributed for new members after November 2, 1976 historically as follows:

	<u>MISCELLANEOUS</u>	<u>POLICE</u>	<u>FIRE</u>
July 1976	14.30 %	54.45 %	48.64 %
July 1977	13.82	53.01	47.51
July 1978	14.70	54.64	49.19



Among the factors which influence total membership and the rates of contribution in the number of individuals who terminate their employment with the City and County and withdraw their contributions from this system. Following are charts comparing the number of withdrawals, total amounts refunded and the average amounts refunded to each individual for the past five years.

# WITHDRAWAL OF CONTRIBUTIONS COMPARISON CHART

Number of Withdrawals 1973-1974 -- 1977-1978

TYPE	1973-74	1974-75	1975-76	1976-77	1977-78
Miscellaneous (excluding teachers)	830	1121	816	1146	991
Teachers	42*	57*	412**	88	16
Police	17	14	38	37	32
Fire	3	2	3	7	6
Adjustments	298	347	335	282	555
TOTAL -	1190	1541	1604	1560	1600

Total Amounts Refunded 1973-74 -- 1977-78

TYPE	1973-74	1974-75	1975-76	1976-77	1977-78
Miscellaneous (excluding teachers)	1,859,763.85	1,781,416.07	1,867,169.50	2,427,600.17	2,378,871.50
Teachers	108,222.50	100,779.21	34,458.27	126,839.99	65,009.52
Police	91,861.12	58,445.39	190,307.11	245,754.37	207,553.09
Fire	8,560.43	7,980.07	14,324.09	22,444.60	41,315.74
Adjustments	103,880.12	42,473.89	239,743.50	117,676.60	21,258.76
TOTAL -	2,172,288.02	1,991,384.63	2,438,658.70	2,940,315.73	2,714,008.61





Average Amounts Refunded 1971 - 1972 - 1975 - 1976

TYPE	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978
Miscellaneous (exldg. teachers)	2240.68	1589.13	2288.20	2118.32	2400.48
Teachers	2576.73	1768.06	253.72	1441.36	4063.10
Police	5403.60	4174.67	5008.08	6642.01	6486.03
Fire	2853.47	3990.04	4774.70	3206.37	6885.96
Adjustments	348.59	123.24	715.65	417.29	38.30
<u>Total:</u>	1825.45	1292.27	1440.44	1884.82	1696.26

Note: \*The drop in number of teachers withdrawing from the Retirement System is a result of the fact that most teachers have transferred to the State Teachers' Retirement System.

\*\* Reflects Permanent Fund contributions refunded to teachers who remain members of the Retirement System.



PROCESSING CENTER ACTIVITY

The activities of the Processing Center, a facility to administratively process accessions or changes in the composition of the workforce of the City and County of San Francisco, are presented in tabular form below:

<u>MONTH</u>	<u>PERMANENT MISC.</u>	<u>POLICE/ FIRE</u> <u>P F</u>	<u>PROMOTIONS</u>	<u>OTHERS (inclds. Rehire &amp; Temp.)</u>	<u>TOTAL</u>
July '77	170	0 / 24	119	7	320
August	98	50 24	102	42	316
September	193	0 24	88	29	334
October	121	0 0	81	15	217
November	189	0 12	99	22	322
December	116	0 10	79	8	213
January '78	145	0 0	93	25	263
February	103	0 0	74	16	193
March	146	0 0	108	18	272
April	91	0 0	55	11	157
May	121	0 0	60	10	191
June	81	49 0	27	3	160
TOTAL-Fiscal year 1977-78:	<u>1,574</u>	<u>99 94</u>	<u>985</u>	<u>206</u>	<u>2,958</u>
PRIOR TOTAL Fiscal Year 1976-77:	<u>1,855</u>	<u>( 246 )</u>	<u>1,562</u>	<u>706</u>	<u>4,369</u>



## MICROFILM PROJECT

During Fiscal Year 1977-78 the following files were filmed and loaded into microfilm jackets:

City Teachers' Ledgers	1,268
STRS Ledgers	5,222
STRS Membership Files	5,222
Active Members' Files	2,138
Death Files	943
Retired Members' Files	<u>6,324</u>

TOTAL NUMBER OF FRAMES FILMED (Miscellaneous documents included)	<u>443,841</u>
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This project was aided by a staff of five (5) CETA personnel and the purchase of a rotary camera.

### COMPARISON WITH FISCAL YEAR 1976-77:

TOTAL DOCUMENTS FILMED DURING FISCAL YEAR 1977-78:	443,841
TOTAL DOCUMENTS FILMED DURING FISCAL YEAR 1976-77:	<u>240,000</u>

TOTAL INCREASE:	<u>203,841</u>
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## 2. ACCOUNTING UNIT

The primary responsibility of the Accounting Unit is to record all financial transactions in accordance with generally accepted principles of accounting.

Each year our accounting records are examined by independent auditors who issue an Accountants' Report to the Controller of the City and County of San Francisco.

A large EDP software operation greatly assists the Division in the maintenance of over 64,000 accounts for approximately 24,453 active members. Coordination between the EDP and the Retirement System has reduced the lag in transaction processing. Currently there is a lag of eight months, a 50% improvement.

## ADVANCEMENT AREAS

Divisional progress for fiscal year 1977-78 has been extensive:

1. Commencement of an acceleration program with EDP
2. Completion of another peak year of member retirements
3. The contribution by the City and County is now billed on a 100% basis
4. Elimination of the use of hard copies and full utilization of microfilm ledger data resulting in work space efficiency.
5. The near completion of inactive member accounts as a result of continuous audit.

## PROJECTIONS

The forthcoming fiscal year will show:

1. Commencement of charging the Controller's Office interest on Employees' Retirement System Funds in their custody.
2. Employees' Retirement System books should be current, with the coordination of EDP by the end of the fiscal period.





# BUDGET APPROPRIATIONS

1977 - 1978

## ADMINISTRATIVE BUDGET

	<u>Original Appropriation</u>	<u>Unaudited Amount Expended</u>
110 Permanent Salaries	\$ 1,013,969	\$ 987,432
111 Overtime	500	89
120 Temporary Salaries	4,000	4,000
140 Fees & other Compensation	3,000	3,000
152 Witness Fees	100	-0-
200 Contractual Services	207,645	189,271
203 Use of Employee Car	1,100	1,250
269 Other Professional Services	3,050	2,657
300 Materials & Supplies	12,000	10,049
400 Equipment	7,103	6,784
800 Fixed Charges	64,518	63,768
863 Mandatory Fringe	664,174	699,029
900 Services of other Departments	252,958	319,182
<hr/>		
Administrative Budget TOTAL -	\$ 2,234,117	\$2,286,511

## RETIREMENT ALLOWANCE AND COMPENSATION BUDGET 1977 - 1978

801 Accident Compensation	\$5,784,174	\$6,928,606
860 Retirement Allowances	96,831,495	92,095,725
Retirement Allowance and Compensation Budget	102,615,669	99,024,331
TOTAL DEPARTMENTAL BUDGET	104,849,786	101,310,842



City and County of San Francisco  
REGULAR CONTRIBUTIONS

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
						Unaudited
<b>CURRENT SERVICE RESERVES</b>						
General	\$ 27,240,918	\$ 24,670,604	\$ 22,969,364	\$ 33,851,647	\$ 35,002,523	\$ 33,905,351
Police	8,416,377	8,536,367	10,050,807	10,871,263	17,734,482	22,256,693
Fire	6,387,141	6,258,430	7,760,445	9,256,007	13,708,425	18,176,857
<b>Total</b>	\$ 42,044,436	\$ 39,475,401	\$ 40,780,616	\$ 53,978,917	\$ 66,445,430	\$ 74,338,891

<b>CURRENT SERVICE BENEFIT</b>						
General	\$ 11,460	\$ 8,405	\$ 7,990	\$ 5,937	\$ - 0 -	\$ - 0 -
Police	389,362	404,359	417,699	461,151	453,022	602,485
Fire	2,840,911	2,938,794	3,030,617	3,333,490	3,284,923	4,305,496
<b>Total</b>	\$ 3,241,733	\$ 3,351,058	\$ 3,456,306	\$ 3,800,578	\$ 3,737,945	\$ 4,907,981

<b>PRIOR SERVICE BENEFIT</b>						
General	\$ 565,925	\$ 570,229	\$ 334,745	\$ 380,575	\$ 634,475	\$ 698,421
Police	847,948	787,568	765,294	771,884	683,418	663,094
Fire	1,731,965	1,526,521	1,491,767	1,389,526	1,296,980	1,242,124
<b>Total</b>	\$ 3,145,838	\$ 2,844,318	\$ 2,601,806	\$ 2,541,985	\$ 2,614,873	\$ 2,603,639
<b>Grand Total</b>	\$ 48,432,007	\$ 45,710,777	\$ 46,838,728	\$ 60,321,480	\$ 72,798,248	\$ 81,850,511



## ANALYSIS OF MEMBERS' CONTRIBUTIONS

	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	Unaudited <u>1976-77</u>
Members' Contributions						
Normal						
General	15,679,088	15,775,346	11,953,795	15,919,909	15,940,208	16,401,209
Police	1,811,199	1,841,608	1,923,626	2,122,392	2,134,583	2,406,936
Fire	<u>1,595,384</u>	<u>1,575,749</u>	<u>1,666,581</u>	<u>1,963,504</u>	<u>1,918,023</u>	<u>2,150,993</u>
Subtotal:	19,085,671	19,192,703	15,544,002	20,005,805	19,992,814	20,959,138
Additional	31,751	35,110	33,682	29,853	25,681	19,821
Re-deposits of Withdrawn Contfrib.	<u>77,637</u>	<u>117,147</u>	<u>66,892</u>	<u>49,453</u>	<u>87,694</u>	<u>149,850</u>
<u>Total</u>	\$ 19,195,059	\$ 19,344,960	\$ 15,644,576	\$ 20,085,111	\$ 20,106,189	\$ 21,128,809



# I N C O M E

1977 - 1978 Estimates

Unaudited

City Contributions	\$ 96,831,495
Employee Contributions	20,618,818
Bond Interest	42,102,275
Dividends	6,152,021
Profit on Stocks	(2,413,896)
Profit on Bonds	(3,959,032)
Estimated Net Accumulations	291,087
Est. Increase in Accrued Interest Receivable	<u>1,140,324</u>
<u>Total</u>	\$ 160,763,092

# P A Y M E N T S

1977 - 1978 - Actual

Unaudited

Retirement Allowance Rolls	\$ 80,385,334
Withdrawal Rolls	2,717,396
Death Benefit Rolls	328,800
Death Claim Rolls	917,929
Retired Annuitant Rolls	<u>365,845</u>
	\$ 84,715,304





### 3. MEMBER BENEFITS UNIT

As a result of the reorganization of the Retirement System, the Benefit Calculations Unit has replaced the Actuarial Division and has assumed most of its functions. These functions include computation of all new retirement allowances, adjustment of existing allowances as required by legislative action, computations of age corrections, research computation and billing of prior service credit, and computation and payment of all death benefits and allowances.

The major function of the Actuarial Division which was not absorbed by the Benefit Calculation unit is the interviewing of active members prior to application for retirement. The interview function has been absorbed by the Member Services section, thereby freeing technically trained personnel for computation functions in order to provide more timely payment of benefits.

Fiscal year 1977-1978 saw the placement of 706 new retirees on the monthly retirement allowance roll. It should be noted that approximately 400 members applied for retirement during May and June 1978 as a result of Proposition 13, and these members did not begin to receive their first allowance until early fiscal 1978-79.

The Benefit Calculations Unit completed the implementation of Proposition I, passed by the voters in November 1977. This Charter Amendment provided for the adjustment of all retirement allowances paid to male members or their beneficiaries under any of the optional modification provisions paid prior to July 1, 1977. This required the recomputation of 1923 allowances and resulted in an average increase to the monthly allowances of \$ 5.82.

Following are several pages of statistics and tables relating to the various functions of the Benefit Calculations Unit.



RETIREMENT ALLOWANCES AS OF JUNE 30, 1978

<u>Roll Type</u>	<u>No. of Allow.</u>	<u>A m o u n t</u>	
		<u>Total</u>	<u>Average</u>
SERVICE			
Miscellaneous	7174	3,190,725.03	444.76
Fire	780	830,248.55	1064.42
Police	730	742,167.11	1016.67
Teachers	49	1,722.85	35.16
DISABILITY			
Miscellaneous	1178	454,122.85	385.50
Fire	653	686,553.69	1051.38
Police	728	676,806.75	929.68
DEATH			
Fire	104	106,181.51	1020.98
Police	128	129,972.19	1015.41
	<hr/>	<hr/>	<hr/>
	11524	\$ 6,818,500.53	\$ 591.68



# SERVICE RETIREMENTS 1977-1978

MISCELLANEOUS			462
POLICE			
	Section 8.559	= 30	30
	Section 166	= 0	
FIRE			
	Section 8.585	= 39	39
	Section 169	= 0	
<u>TOTAL SERVICE RETIREMENTS 1977/1978:</u>			531

# DISABILITY RETIREMENTS 1977-1978

MISCELLANEOUS			95
	Average age = 51.4, range 34 - 61.25 years		
	Average years of service = 17.6, range 10-33.9 years		
POLICE			47
	Non-industrial Disability	= 3	
	Industrial Disability	= 44	
	Section 8.559	= 44	
	Section 169	= 0	
FIRE			33
	Non-industrial Disability	= 3	
	Industrial Disability	= 30	
	Section 8.585	= 30	
	Section 169	= 0	
<u>TOTAL DISABILITY RETIREMENTS 1977-1978:</u>			175

The industrial injuries or illnesses for which firemen and policemen were retired during 1977-1978 may be classified as follows:

	<u>Number</u>	<u>Percent</u>
Heart and Vascular System	14	.19
Back	31	.42
Injuries to Lower Extremities	13	.18
Injuries to Upper Extremities	4	.05
Injuries to other parts of the body	10	.13
Emotional Illness	<u>2</u>	<u>.03</u>
	74	100%



Years of Service at Retirement

Of those retiring for Service during 1977-1978 the mean average of service for Miscellaneous employees was 15.46 years. The median for policemen and firemen was 29.15 years.

Credited Years of Service  
prior to Service Retirement  
City and County of San Francisco Retirement System  
Fiscal Year 1977-1978

<u>Years of Service</u>	<u>Miscellaneous</u>		<u>Police &amp; Fire</u>	
	<u>Male</u>	<u>Female</u>		
0-5	22	13		
6-10	42	40		
11-15	51	37		
16-20	30	27		
21-25	43	17		
26-30	67	22	35	25-29
31-35	27	13	46	30-34
36-40	9	1	3	35-39
Over 40	<u>0</u>	<u>1</u>	<u>0</u>	Over 40
	291	171	84	

Credited Years of Service  
Prior to Disability Retirement  
City and County of San Francisco Retirement System  
Fiscal Year 1977-1978

<u>Years of Service</u>	<u>Miscellaneous</u>		<u>Police and Fire</u> <u>Non-Fluct./Fluct.</u>
	<u>Male</u>	<u>Female</u>	
0-5	0	1	3
6-10	6	5	15
11-15	24	10	14
16-20	18	5	5
21-25	10	2	10
26-30	9	9	9
31-35	1	3	6
36-40	0	0	1
Over 40	0	0	0

Of those retiring for disability, the median length of service for miscellaneous employees was about 15 years, and the median for police and fire was about 15. years of service.





Of those members retiring for service during 1977-78, about 16.5% of the Miscellaneous Members and 81.9% of the policemen and firemen were under age 60. About 34.4% of the Miscellaneous members had attained age 65 at retirement. About .01% of the policemen and firemen were 65 or over.

Of those members retiring for disability during 1977-78, 85.9% of the Miscellaneous members and 85.9% of the policemen and firemen were under age 55.

Age at Retirement  
Miscellaneous Employees

City and County of San Francisco Retirement System  
Fiscal Year 1977-1978

<u>Retirement Age</u>	<u>Service</u>	<u>Disability</u>
Under 55	17	61
55-59	60	8
60-64	228	2
65	160	0
	<u>465</u>	<u>71</u>

Non-Fluctuating Allowances  
Police and Fire

Under 50		42
50-54	35	13
55-59	33	8
60-64	14	1
65	1	0
	<u>83</u>	<u>64</u>



TOTAL RETIREMENTS FOR SERVICE AND DISABILITY FOR 1964-1978

<u>Year</u>	<u>Total</u>	<u>Service</u>	<u>Disability</u>
1964-1965	408	335	73
1965-1966	371	280	91
1966-1967	419	326	93
1967-1968	387	293	94
1968-1969	499	396	103
1969-1970	627	539	88
1970-1971	608	522	86
1971-1972	711	611	100
1972-1973	728	622	106
1973-1974	687	557	130
1974-1975	640	513	127
1975-1976	1075	915	160
1976-1977	815	608	207
1977-1978	706	531	175



## DEATH BENEFITS

Death benefits in the form of monthly allowances may be payable to eligible dependents of policemen and firemen who die prior to retirement as a result of injury or illness incurred in the performance of duty. Monthly allowances may be payable to eligible dependents of all employee members prior to retirement if the member was already qualified for service retirement. The beneficiary or estate of those not so qualified receives the member's accumulated contributions plus six months salary. This lump sum benefit may be taken in lieu of the allowance, if the eligible dependent so elects.

For the eligible dependents of those already retired, there is a provision for continuation of part or all of the member's retirement allowances as a death benefit. Only those dependents of policemen and firemen who die as a result of injury or illness incurred in the performance of duty, or who die after retirement for industrial disability, are eligible to receive full continuation. However, a member at retirement may elect to receive a reduced retirement allowance in order to provide for a lifetime allowance to a survivor. Two options are available to the member for this purpose. In addition to the above, named beneficiaries of retired employees receive a lump sum benefit. This lump sum death benefit is computed at \$100 per completed year of service. Effective 3/30/1978, the maximum allowable death benefit was raised from \$1000 to 1500.

The following table shows the number of deaths which occurred during fiscal years 1977-1978 and the type and number of benefits paid.

<u>TYPE OF DEATH</u>	<u>NUMBER</u>
Death of Active Members	54
Death of Retired Members	320
Death of Continuants	81
	<hr/> 455

<u>TYPE OF BENEFIT</u>	<u>NUMBER</u>
Continuations & Survivors Death Benefits	267
Death Claims	52
Death Benefits	328
Retired Annuitants Payments (Option 1 Benefits)	44
Pro-Rata Retired Allowance Payments	463
TOTAL	<hr/> 1154



# INDUSTRIAL DEATH ALLOWANCE

Allowances by year to eligible dependents of member policemen and firemen who die as a result of injury or illness incurred in the performance of duty were as follows:

1960-1961	9
1961-1962	18
1962-1963	8
1963-1964	11
1964-1965	9
1965-1966	5
1966-1967	13
1967-1968	7
1968-1969	13
1969-1970	8
1970-1971	10
1971-1972	14
1972-1973	2
1973-1974	5
1974-1975	10
1975-1976	3
1976-1977	0
1977-1978	3





#### IV. INVESTMENT DIVISION

The San Francisco City and County Employees' Retirement System was established April 1, 1922 under the Charter adopted in 1920. The initial enactment, as have subsequent revisions, provided that the Retirement Board have exclusive control over the administration of the fund and the investment of its assets.

The investment limitations imposed by the Charter upon the Retirement Board are those which are prescribed by the California Insurance Code for insurance companies domiciled in California.

The guiding principle upon which all investment decision have been made throughout the entire history of the System is: the preservation of assets, together with maximum return within the framework of prudence, in order that the participants in the fund may unquestionably receive their earned pension benefits.

The passage of time and the march of events over the 55 years of existence have brought about a number of differing investment strategies on the part of the fund's managers. From 1922 through 1942, Retirement funds were primarily invested in California State and municipal bonds which offered a yield in excess of United States Treasury obligations which were being issued as partially tax-exempt bonds prior to 1941. A few public utility bonds and railroad mortgage bonds appeared on the list of securities eligible for investment. During World War II, when the tax-exempt feature of municipal bonds became increasingly more valuable to taxable institutions and individuals, thereby causing the price of municipal bonds to increase substantially more than taxable bonds, the Retirement Board authorized the sale of substantially all of the municipal bonds owned and the reinvestment of the proceeds in United States Treasury Bonds. The proceeds from the sale exceeded the book value of the bonds sold by over \$4,800,000.

After the conclusion of the war, the emphasis shifted from the Treasury sector to corporate bonds and predominantly public utility issues, as those companies had an almost insatiable demand for long-term funds to construct the electric generating capacity needed by a re-building and growing nation.

The program continued for the next twenty years, and during this period some industrial bonds were added along with an occasional purchase of a Canadian Provincial issue.

In the fiscal year 1968-69, the specter of inflation caused the Retirement Board to reassess the long-standing policy of investing exclusively in bonds. It was observed that interest rates had increased materially and the dollar prices of bonds, regardless of quality, had diminished.



## INVESTMENT DIVISION (CONT'D)

The Board, in the expectation of lessening the ravages of inflation, voted to invest up to 25% of the fund's assets in quality common stocks. To accomplish this purpose they contracted for the services of two investment counselors, Bank of America and Dodge & Cox, each of whom had responsibility for the investment of an equal amount of funds in common stocks.

In the year 1972-1973, Scudder, Stevens and Clark replaced Dodge & Cox. Also, during these years the bond monies began to be managed more aggressively which resulted in increased activities in the sale of lower coupon bonds and the reinvestment into higher yielding bonds in those instances where it was advantageous to do so.

In May of 1974, the Retirement System embarked upon the search to employ the investment services of one firm to advise on the total investment portfolio. After an intensive study of some 19 San Francisco investment management companies, Crocker Investment Management Corporation was selected to work in conjunction with the investment staff of the Retirement System and to report jointly with them to the Retirement Board on all matters concerning investments.

In addition to Crocker Investment Management Corporation, the Board employed the services of two investment measurement firms, later reduced to one, Callan Associates, Inc., in order to quantify the investment results of the portfolio, not only on an absolute basis, but also on a relative basis with other comparable pension funds.

During fiscal year 1977-1978, the Retirement Board, after a thorough study, reached the decision to invest approximately five per cent of the portfolio in real estate.

In May of 1978, the Retirement System invested \$40,000,000 in a limited partnership with Coldwell Banker Management Corporation acting as the general partner. \$20,000,000 of these funds were invested on May 1, 1978, with the remaining \$20,000,000 to be invested throughout the first six months of the 1978-1979 fiscal year.

It is anticipated that the real estate investment will provide a current return of approximately 8%, plus potential appreciation of the real estate holdings.



# HISTORICAL STATISTICAL DATA FOR INVESTMENT PORTFOLIO

Fiscal Year ended 6/30	Book Value Portfolio (1)	Total Income from Portfolio	Mean Book Yield on Portfolio	Year End Book Yield on Portfolio %	Adjusted (2) Year End Yield On Portfolio %	Realized Gain (Loss) On Equity	Realized Gain (Loss) On Bonds	Total Realized Gain (Loss) On Portfolio	Amortized Bond Value At Year End (3)	Book Equity Value At Year End	Bond Interest For Year	Equity Dividend For Year	Book Yield On Bonds (mean value)	Book Yield On Equity (mean value)	Real Estate	
1960	247,011,798	7,797,245	3.38	3.15	3.15	---	( 7,200)	( 7,200)	247,011,798	---	7,797,245	---	---	3.38	---	---
1961	265,839,508	8,671,042	3.55	3.26	3.26	---	( 182,013)	( 182,013)	265,839,508	---	8,671,042	---	---	3.55	---	---
1962	297,592,551	9,761,032	3.27	3.44	3.37	---	(1,427,988)	(1,427,988)	297,592,551	---	9,761,032	---	---	3.27	---	---
1963	297,399,515	10,826,349	3.72	3.64	3.16	---	13,258	13,258	297,399,515	---	10,826,349	---	---	3.72	---	---
1964	318,827,776	11,984,538	3.87	3.76	3.84	---	( 50,756)	( 50,756)	318,827,776	---	11,984,538	---	---	3.87	---	---
1965	325,070,558	12,970,979	3.95	3.85	3.84	---	3,777	3,777	325,070,558	---	12,970,979	---	---	3.95	---	---
1966	337,471,525	14,000,400	4.00	3.91	3.91	---	5,649	5,649	337,471,525	---	14,000,400	---	---	4.00	---	---
1967	374,614,215	15,005,870	4.00	4.12	3.94	---	( 6,610)	( 6,610)	374,614,215	---	15,005,870	---	---	4.00	---	---
1968	376,441,079	16,332,472	4.24	4.35	4.35	---	( 8,656)	( 8,656)	376,441,079	---	16,332,472	---	---	4.24	---	---
1969	415,501,211	18,050,164	4.45	4.35	4.35	---	( 28,007)	( 28,007)	415,501,211	---	18,050,164	---	---	4.45	---	---
1970	433,427,838	19,204,046	4.41	4.33	4.33	( 34,190)	( 6,183)	( 34,190)	433,427,838	---	19,204,046	---	---	4.41	---	---
1971	510,132,437	23,025,997	4.78	4.39	4.39	( 590,267)	( 23,025)	( 590,267)	510,132,437	---	23,025,997	---	---	4.78	---	---
1972	571,193,853	24,936,411	4.65	4.51	4.51	( 721,624)	( 721,624)	( 721,624)	571,193,853	---	24,936,411	---	---	4.65	---	---
1973	553,578,819*	28,125,428	4.83	4.66	4.66	( 595,554)	( 595,554)	( 595,554)	553,578,819*	---	28,125,428	---	---	4.83	---	---
1974	645,195,833	33,174,585	5.13	4.70	4.70	( 5,538,667)	( 194,400)	( 5,538,667)	645,195,833	---	33,174,585	---	---	5.13	---	---
1975	694,481,080	34,124,154	5.11	4.92	4.92	( 38,220)	( 38,220)	( 38,220)	694,481,080	---	34,124,154	---	---	5.11	---	---
1976	694,481,080	34,124,154	5.11	4.92	4.84	( 148,590)	( 148,590)	( 148,590)	694,481,080	---	34,124,154	---	---	5.11	---	---
1977	763,831,987	39,974,495	5.48	5.24	4.79	( 3,380,647)	( 3,380,647)	( 3,380,647)	763,831,987	---	39,974,495	---	---	5.48	---	---
1978	851,885,422	48,370,166	5.99	5.68	4.93	( 12,397,393)	( 6,073,503)	( 12,397,393)	851,885,422	---	48,370,166	---	---	5.99	---	---

Data source is the audited reports of the system for the years 1960-1976. Data source for 1977-78 is the Satcha Report.  
 (1) Includes commercial paper.  
 (2) Includes recognized loss of \$524,699 on Franklin National Bank Debentures.  
 (3) Includes recognized loss of \$224,699 on Franklin National Bank Debentures.  
 (4) Includes recognized loss of \$224,699 on Franklin National Bank Debentures.  
 (5) Drop in yield and income for bonds was result of large shift from commercial paper into equities.  
 (6) Income includes gains and losses.  
 (7) Reduction due to Satcha Transfer of \$115.  
 (8) Initial Investment in Real Estate - no yield as yet.

NOTE:  
See Appendix for detailed listing of all investment holdings, i.e. stock portfolio, stock transactions, bond portfolio and transactions, etc.



V. WORKERS COMPENSATION DIVISION

The City and County of San Francisco is legally permissibly uninsured for Workers Compensation, as provided by the City Charter. The Retirement System's Compensation Division administers this program. The Compensation Division is located in St. Francis Hospital, Bush & Hyde Streets, San Francisco. A modern, fully staffed treatment room is open during normal working hours, and injured employees are treated during evenings and weekends at St. Francis Hospital Emergency Clinic. In addition, a claims adjusting staff adjusts all Workers Compensation Claims for City, San Francisco School District, Community College, and San Francisco Port Commission employees.

Effective January 16, 1978 the Compensation Division assumed full and complete responsibility for the preparation of all Retirement Board disability cases. Previously the Administrative Division had partial responsibility for this function.

We have had several meetings with Fire Department administrative personnel in an attempt to improve communications and decrease their disability role.

With the imminent completion of the new addition to St. Francis Hospital, we are anticipating badly needed additional space. This should allow consolidation of all personnel in one area.

Because of the shortage of personnel, we have our usual large number of unpaid bills and large number of angry vendors.





# FRANCISCAN TREATMENT ROOM VISITS

1977 - 1978

	<u>Day</u>	<u>Night &amp; Weekend</u>	<u>Total</u>	<u>1st Visit</u>	<u>Follow-Up</u>
July 77	750	123	873	459	414
August 77	915	156	1,071	494	577
Sept. 77	741	148	889	519	370
Oct. 77	820	119	939	401	538
Nov. 77	809	124	933	502	431
Dec. 77	781	120	901	401	500
Jan. 78	850	140	990	528	462
Feb. 78	745	106	851	437	414
Mar. 78	861	130	991	513	478
Apr. 78	977	125	1,102	593	509
May 78	1,006	135	1,141	610	531
June 78	<u>973</u>	<u>141</u>	<u>1,114</u>	<u>580</u>	<u>534</u>
	10,228	1,567	11,795	6,037	5,758



FOUR-YEAR COMPARISON

FRANCISCAN TREATMENT ROOM PATIENT VISITS

	<u>1974 - 75</u>	<u>1975 - 76</u>	<u>1976 - 77</u>	<u>1977 - 78</u>
DAY VISITS	8837	10,326	9773	10,228
NIGHT & WEEKEND	1748	1,904	1619	1,567
TOTAL VISITS	10585	12,230	11,392	11,795
FIRST VISITS	5499	5,074	5841	6,037
FOLLOW-UP	5182	7,156	5551	5,758

\* An undetermined number of City employees sought initial treatment at Kaiser Hospital, or other medical facilities.



SUBROGATION

ACTUAL CASH RECOVERIES:

July 1, 1977 - June 30, 1978	\$ 127,699.75
July 1, 1976 - June 30, 1977	\$ 126,225.67
July 1, 1975 - June 30, 1976	\$ 99,805.76



RECAP OF ACTIVITIES OF INVESTIGATORS FISCAL YEAR 1977-1978

	<u>SCHILLACI</u>	<u>BELLI</u> *	<u>OTHER</u>	<u>TOTAL</u>
<u>INVESTIGATIONS COMPLETED</u>				
AOE-COE Investigations	36	4	0	40
WCAB Pre-Trial Investigations	67	27	0	94
Board Cases Prepared	185	23	0	208
Other Investigation (Retiree Locations)	18 —	0 —	0 —	18 —
Total Investigations	306	54	0	360
Subpoenas served	122	0	90	212

\* Mr. Belli also has had the duties of the Subrogation Officer for the Compensation Division. His work as an Investigator has been on a part-time basis.





## APPENDIX A

The material that follows is a detailed listing of the Retirement System's investment portfolio, including stock and bond holdings, transactions, analyses of stock holdings, etc.



STOCK PORTFOLIO  
JUNE 30, 1978

No. of Shares or Par Value	Company	6/30/78 Book Cost	Market Price Per Share	Market Value	Indicated Dividend	Annual Income	Yield	Unrealized Profit/(Loss)	Actual 1977 Earnings	Estimated 1978 Earnings	Price/Earnings Ratio (1978)
60,000	Crocker National Co. Pfd.	\$ 3,000,000.00	\$ 40.75	\$ 2,445,000.00	\$ 3.00	\$ 180,000.00	7.36%	\$( 555,000.00)	-----	-----	----
<u>Common Stocks</u>											
36,600	Aluminum Co. of America	\$ 1,772,911.33	\$ 42.25	\$ 1,546,350.00	\$ 1.80	\$ 65,880.00	4.26%	\$( 226,561.32)	\$ 5.34	\$ 6.50	6.5x
233,140	American Airlines	4,564,095.59	11.75	2,739,395.00	0.40	93,256.00	3.40	( 1,824,700.59)	2.51	2.15	5.5
103,834	American Tel. & Tel.	4,701,567.24	59.87	6,217,060.75	4.60	447,636.40	7.68	1,515,493.51	6.97	7.50	8.0
100,000	Atlantic Richfield	5,724,757.50	50.50	5,050,000.00	2.40	240,000.00	4.75	( 674,757.50)	5.76	6.75	7.5
20,000	Avon Products, Inc.	1,904,644.80	53.12	1,062,500.00	2.60	52,000.00	4.89	( 842,144.80)	3.30	3.70	14.3
200,000	BankAmerica Corp.	4,875,000.00	22.37	4,475,000.00	0.94	88,000.00	4.20	( 400,000.00)	2.71	3.00	7.4
120,000	Bendix Corp.	5,133,462.00	37.37	4,485,000.00	2.28	273,600.00	6.10	( 648,462.00)	5.29	5.65	6.6
87,000	Bethlehem Steel Corp.	3,456,264.41	22.75	1,979,250.00	1.00	87,000.00	4.40	( 1,477,014.41)	-----	2.75	8.3
60,000	Brunswick Corp.	2,329,993.10	15.12	907,500.00	0.70	42,000.00	4.63	( 1,422,493.10)	1.87	2.05	7.4
80,000	CBS, Inc.	4,862,362.50	52.50	4,200,000.00	2.40	192,000.00	4.57	( 662,362.50)	6.50	7.05	7.5
100,000	CIT Financial Corp.	3,694,298.50	34.50	3,450,000.00	2.40	240,000.00	6.96	( 244,298.50)	3.94	4.50	7.7
60,000	Citicorp	1,963,659.90	23.37	1,402,500.00	1.16	69,600.00	4.96	( 561,159.90)	2.90	3.40	6.9
100,000	Dayton-Hudson	4,219,767.50	38.12	3,812,500.00	1.00	100,000.00	3.67	( 407,267.50)	4.19	4.25	8.9
140,000	Deere and Company	4,374,229.00	31.50	4,410,000.00	1.40	196,000.00	4.44	33,771.00	4.07	4.25	7.4
60,000	Florida Power & Light	1,966,720.70	27.37	1,642,500.00	2.08	24,800.00	7.60	( 324,220.70)	3.81	4.05	6.8
50,000	General Electric Company	2,605,890.72	50.50	2,525,000.00	2.60	130,000.00	5.15	( 80,890.72)	4.79	5.30	9.5
113,466	Georgia-Pacific Corp.	3,361,557.74	25.87	2,935,932.75	1.00	113,466.00	3.86	( 425,624.99)	2.47	2.60	10.0
20,000	Getty Oil Company	3,456,100.00	142.25	2,845,000.00	4.80	96,000.00	3.37	( 611,100.00)	15.11	18.50	7.7
104,800	Gillette Company	3,809,014.98	28.62	2,999,900.00	1.50	157,200.00	5.24	( 809,114.98)	2.65	2.80	10.2
75,000	Halliburton Company	4,741,809.17	64.12	4,809,375.00	1.40	105,000.00	2.18	( 67,565.83)	6.06	7.00	9.1
35,000	Ingersoll Rand Company	3,101,441.50	55.37	1,938,125.00	3.00	105,000.00	5.42	( 1,163,316.50)	5.66	6.60	8.4
30,000	International Bus. Machines	7,581,595.10	257.25	7,717,500.00	11.52	345,600.00	4.48	135,904.90	18.30	20.25	12.7
15,000	Johnson and Johnson	1,584,272.00	81.37	1,220,625.00	1.70	25,500.00	2.09	( 133,647.00)	4.23	4.90	16.6
36,750	Jonathan Logan, Inc.	2,047,752.75	14.37	528,281.25	0.60	22,050.00	4.17	( 1,519,471.50)	1.96	2.25	6.4
50,000	K Mart Corp.	1,519,644.00	24.50	1,225,000.00	0.56	28,000.00	2.29	( 294,644.00)	2.43	2.55	9.6



STOCK PORTFOLIO  
JUNE 30, 1978

No. of Shares or Per Value	Company	6/30/78 Book Cost	Market Price Per Share	Market Value	Indicated Dividend	Annual Income	Yield	Unrealized Profit/(Loss)	Actual 1977 Earnings	Estimated 1978 Earnings	Price/Earnings Ratio (1978)
<u>Common Stocks</u>											
40,000	Koufman & Broad, Inc.	\$ 1,581,446.20	\$ 8.37	\$ 335,000.00	\$ 0.20	\$ 8,000.00	2.39%	\$(1,246,446.20)	\$ 0.95	\$ 1.25	6.7x
150,000	Leggett & Platt, Inc.	2,726,762.50	18.37	2,756,250.00	0.52	78,000.00	2.83	29,487.50	2.44	2.85	6.4
75,000	Lincoln National Corp.	2,937,000.00	41.25	3,093,750.00	2.40	180,000.00	5.82	156,750.00	5.67	6.10	6.8
11,000	Longs Drug Stores	365,654.38	26.00	286,000.00	0.64	7,040.00	2.46	( 79,654.37)	1.85	2.10	12.4
232,995	Lucky Stores, Inc.	3,165,635.64	15.50	3,611,422.50	0.84	195,715.80	5.42	445,786.86	1.34	1.50	10.3
20,000	Marsh & McLennan	1,059,445.72	63.50	1,270,000.00	2.80	56,000.00	4.41	210,554.29	4.07	4.40	14.4
150,000	May Department Stores	3,224,132.30	24.37	3,656,250.00	1.28	192,000.00	5.25	432,117.70	3.71	3.70	6.6
40,000	Merck & Company, Inc.	2,943,095.10	55.50	2,220,000.00	1.70	68,000.00	3.06	( 723,095.10)	3.67	4.05	13.7
125,000	MGIC Investment Corp.	3,536,951.17	17.12	2,140,625.00	0.72	90,000.00	4.20	(1,396,326.17)	2.03	2.40	7.1
100,000	Oklahoma Gas & Electric	2,331,077.38	18.37	1,837,500.00	1.54	154,000.00	8.38	( 493,577.38)	1.99	2.15	8.6
75,000	Pacific Gas & Electric	2,103,739.95	23.87	1,790,625.00	2.16	162,000.00	9.05	( 313,114.75)	3.15	3.10	7.7
75,000	J. C. Penney Inc.	4,093,550.00	36.50	2,737,500.00	1.76	132,000.00	4.82	(1,356,050.00)	4.51	4.55	8.0
120,000	PepsiCo, Inc.	3,848,825.00	29.75	3,570,000.00	1.00	120,000.00	3.36	( 278,825.00)	2.15	2.50	11.9
150,000	Phillips Petroleum Co.	4,533,025.00	32.12	4,818,750.00	1.20	180,000.00	3.74	285,725.00	3.37	4.25	7.6
10,000	Polaroid Corp.	1,380,397.00	36.87	368,750.00	0.80	8,000.00	2.17	(1,011,647.00)	2.81	2.90	12.7
80,000	Southern Calif. Edison	2,164,815.31	25.37	2,030,000.00	2.24	179,200.00	8.83	( 134,815.31)	3.88	3.60	7.0
100,000	St. Regis Paper Company	4,424,501.50	27.37	2,737,500.00	1.72	172,000.00	6.28	(1,687,001.50)	3.36	3.30	8.3
25,000	Texas Instruments, Inc.	2,506,200.13	79.12	1,978,125.00	1.68	42,000.00	2.12	( 528,075.13)	5.11	6.00	13.2
50,000	Texas Utilities Company	1,477,964.79	20.25	1,012,500.00	1.52	76,000.00	7.51	( 465,464.29)	2.40	2.55	7.9
75,000	Union Carbide Corp.	3,443,453.48	38.00	2,850,000.00	2.80	210,000.00	7.37	( 593,453.48)	6.06	5.25	7.2
98,500	Warner Communications	3,498,263.28	41.00	4,038,500.00	1.00	98,500.00	2.44	540,236.72	4.64	5.50	7.5
80,000	Williams Companies	2,596,500.00	18.25	1,460,000.00	1.00	80,000.00	5.48	(1,136,500.00)	2.61	2.35	7.8
Total Common Stocks		\$149,065,247.16		\$126,723,342.25		\$5,858,044.20	4.62%	\$(22,341,904.91)			



SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM  
STOCK PORTFOLIO  
JUNE 30, 1978

No. of Shares or Par Value	Company	6/30/78 Book Cost	Market Price Per Share	Market Value	Indicated Dividend	Annual Income	Yield	Unrealized Profit/(Loss)	Actual 1977 Earnings	Estimated 1978 Earnings	Price/Earnings Ratio(1978)
Total Equity Portfolio;		\$152,065,247.16		\$129,168,342.25		\$6,038,044.20	4.67%	\$(22,896,904.91)			
Cash available for Investment:		38,694,035.00		38,694,035.00		2,700,843.00	6.98	----			
Total:		<u>\$190,759,282.16</u>		<u>\$167,862,377.25</u>		<u>\$8,738,887.00</u>	<u>5.21%</u>	<u>\$(22,896,904.91)</u>			
Previous Quarter Ended March 31, 1978:											
Total Equity Portfolio:		\$157,132,025.46		\$123,607,095.87		\$6,196,634.00	5.01%	\$(33,029,929.59)			
Cash available for Investment:		43,969,022.00		43,969,022.00		2,884,367.00	6.56%	---			
Total:		<u>\$201,101,047.46</u>		<u>\$167,576,117.87</u>		<u>\$9,081,001.00</u>	<u>5.42%</u>	<u>\$(33,029,929.59)</u>			
Previous Year Ended June 30, 1977:											
Total Equity Portfolio:		\$173,694,328.43		\$155,150,557.00		\$6,458,927.00	4.16%	\$(18,543,770.43)			
Cash available for Investment:		24,361,231.82		24,361,231.00		1,296,017.00	5.32%	---			
Total:		<u>\$198,055,560.25</u>		<u>\$179,511,788.00</u>		<u>\$7,754,944.00</u>	<u>4.32%</u>	<u>\$(18,543,770.43)</u>			





STOCK TRANSACTIONS  
JULY 1, 1977 THROUGH JUNE 30, 1978

Company	No. of Shares or Per Value	Actual Cost Unit	Actual Cost Total	Indicated Dividend	Annual Income	Yield	Actual 1977 Earnings	Estimated 1978 Earnings	Price/Earnings Ratio (1978)	Realized Gain/(Loss)
<u>Purchases</u>										
<u>Common Stocks:</u>										
Aluminum Company of America	30,000	\$42.98	\$ 1,289,380.00	\$ 1.80	\$ 54,000	4.19%	\$ 6.34	\$ 6.50		
American Airlines	150,000	13.26	1,989,162.50	0.40	60,000	3.02	2.51	2.15		6.6x
American Telephone & Telegraph	3,834	57.91	222,035.24	4.60	17,636	7.94	6.97	7.50		6.2
Beatrice Foods	16,500	24.26	400,360.00	1.08	17,820	4.45	2.39	2.60		7.8
Bendix	20,000	41.59	831,762.50	2.28	45,600	5.48	5.29	5.65		9.3
CBS	50,000	62.09	3,104,687.50	2.40	120,000	3.87	6.50	7.05		7.4
Dayton-Hudson	100,000	42.20	4,219,767.50	1.40	140,000	3.31	4.19	4.25		8.8
Georgia-Pacific	35,000	29.45	1,030,625.00	1.00	35,000	3.40	2.47	2.60		9.9
Halliburton	80,000	64.27	5,141,962.50	1.40	112,000	2.18	6.06	7.00		11.3
K Mart	80,000	29.42	2,353,394.00	0.72	57,600	2.45	2.43	2.55		9.1
Lincoln National	75,000	39.14	2,937,000.00	2.40	180,000	6.13	5.67	6.10		2.55
Lucky Stores	72,200	14.97	1,080,677.00	0.87	62,814	5.81	1.34	1.50		6.4
May Department Stores	40,000	24.37	974,750.00	1.28	51,200	5.25	3.71	3.70		10.0
MGIC Investment	100,000	19.27	1,927,022.50	0.72	72,000	3.73	2.03	2.40		6.6
PepsiCo	120,000	32.07	3,848,825.00	0.90	108,000	2.81	2.15	2.50		8.0
Phillips Petroleum	110,000	30.17	3,319,187.50	1.20	132,000	3.98	3.37	4.25		12.8
Standard Oil of California	20,000	39.97	799,500.00	2.60	52,000	6.50	5.96	6.20		7.1
Union Carbide	25,000	42.64	1,066,000.00	2.80	70,000	6.57	6.06	5.25		3.37
Warner Communications	58,500	32.80	1,918,825.00	1.00	58,500	3.05	4.64	5.50		6.5
			\$38,454,923.74		\$1,446,170	3.76%				6.0



STOCK TRANSACTIONS

JULY 1, 1977 THROUGH JUNE 30, 1978

Company	No. of Shares or Par Value	Actual Proceeds		Indicated Dividend	Annual Income	Yield	Actual 1977 Earnings	Estimated 1978 Earnings	Price/Earnings Ratio (1978)	Realized Gain/(Loss)
		Unit	Total							
Sales										
Convertible Securities:										
Georgia-Pacific Cv. Debentures 5.5.25%, due 4-1-96	1,000,000	\$104.60	\$ 1,046,000.00	---	\$ 52,500	5.02%	---	---	---	\$ ( 116,500.00)
Common Stock:										
Air Products & Chemicals	122,400	\$27.73	\$ 3,394,519.65	\$ 0.40	\$ 48,960	1.44%	\$ 2.40	\$ 2.60	10.6x	\$ ( 884,404.85)
Aluminum Company of America	63,400	45.29	2,871,435.50	1.80	114,120	4.00	5.34	6.50	6.9	( 199,673.18)
Beatrice Foods	166,500	24.69	4,111,497.54	1.08	179,820	4.37	2.39	2.60	9.5	116,525.04
Bethlehem Steel	33,000	21.89	722,548.31	1.00	33,000	4.57	---	2.75	8.0	( 588,448.54)
Eastman Kodak	20,000	58.71	1,174,272.70	2.22	44,400	3.78	3.99	4.70	12.5	( 696,510.30)
Exxon	100,000	47.87	4,786,602.50	3.20	320,000	6.69	5.38	6.40	7.5	701,078.41
General Electric	50,000	50.41	2,520,790.72	2.60	130,000	5.16	4.79	5.30	9.4	( 85,100.01)
Halliburton	20,000	63.74	1,274,869.89	1.40	28,000	2.20	6.06	7.00	9.1	12,216.55
K Mart	30,000	30.86	925,893.99	0.72	21,600	2.33	2.43	2.55	12.1	92,143.99
Longs Drug Stores	89,000	26.45	2,353,254.95	0.64	56,960	2.42	1.85	2.10	12.6	( 605,221.28)
Marsh & McLennan	48,000	59.40	2,851,544.67	2.80	134,400	4.71	4.07	4.40	13.4	308,874.98
Minnesota Mining & Mfg.	80,000	47.40	3,792,323.22	2.00	160,000	4.22	3.57	4.10	11.5	(1,125,406.78)
NILT Corporation	200,000	24.13	4,825,801.08	1.00	200,000	4.14	3.20	3.60	6.7	1,330,607.70
Procter and Gamble	40,000	81.40	3,255,965.21	3.00	120,000	3.68	6.20	6.75	12.0	( 462,813.24)
Seven-Up	98,000	46.50	4,556,000.00	1.40	137,200	3.01	2.38	2.60	17.9	986,239.75
Standard Oil Co. of California	120,000	37.59	4,510,749.79	2.60	312,000	6.91	5.96	6.20	6.1	341,768.01
Times Mirror	150,000	28.03	4,205,009.30	1.00	150,000	3.57	2.77	3.20	8.8	1,076,471.80
Weyerhaeuser	80,000	23.62	1,889,804.19	0.80	64,000	3.38	2.30	2.20	10.7	(1,235,473.31)
Xerox	50,000	52.02	2,601,225.57	2.00	100,000	3.85	5.06	5.60	9.3	(1,380,290.67)
Total Common Stocks			\$56,624,108.78	- 2 -	\$2,354,460	4.16%				\$ (2,297,395.93)
Total Sales:			\$57,670,108.78		\$2,406,960	4.17%				\$ (2,413,895.93)



Purchases:	Par Value	Executed Price Unit	Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's
American Telephone & Telegraph								
8-5/8%, 2/1/2007	\$ 3,000,000	100.750	\$ 3,022,500	\$ 258,750	8.561%	8.555%	\$ 300	Aaa AAA
Beneficial Corporation								
7-1/2%, 5/15/1998	3,000,000	90.643	2,719,282	225,000	8.274	8.471	75	Aa AA
Beneficial Corporation								
7-1/2%, 7/15/2002	1,000,000	87.923	879,230	75,000	8.530	8.700	75	Aa AA
Beneficial Corporation								
8.40%, 12/1/2007	6,000,000	98.710	5,922,615	504,000	8.510	8.519	150	Aa AA
California Fed. Savings & Loan								
7-3/8%, 10/1/1982	5,000,000	99.500	4,975,000	368,750	7.412	7.496	100	-- AAA
Canada (Government of)								
8-5/8%, 4/1/1998	5,000,000	99.750	4,987,500	431,250	8.647	8.651	250	Aaa AAA
C.I.T. Financial Corporation								
8-3/8%, 4/1/2001	3,000,000	95.931	2,877,930	251,250	8.730	8.788	100	Aa AA
C.I.T. Financial Corporation								
8-3/4%, 3/15/2008	3,500,000	98.950	3,423,712	306,250	8.945	8.959	100	Aa AA
Coast Federal Savings & Loan								
7-1/2%, 10/1/1982	5,000,000	99.875	4,993,750	375,000	7.509	7.537	50	-- AAA
El Paso Gama Tanker								
8.40%, 3/31/2003	2,000,000	95.971	1,919,420	168,000	8.753	8.800	50	Aaa AAA
Farrell Lines, Inc.								
7.70%, 12/31/1990	5,900,000	98.757	5,826,663	454,300	7.800	7.850	7	Aaa AAA
Federal Home Loan Mortgage Corp.								
8-1/8%, 3/15/2007	8,000,000	100.063	8,005,000	650,000	8.120	8.154	200	Aaa AAA
Federal Home Loan Mortgage Corp.								
8.20%, 9/15/2007	9,000,000	99.295	8,936,562	738,000	8.258	8.301	200	Aaa AAA
Federal Home Loan Mortgage Corp.								
8.55%, 3/15/2003	3,101,000	100.250	3,108,753	265,136	8.529	8.490	200	Aaa AAA
Federal Home Loan Mortgage Corp.								
8.85%, 3/15/2008	5,000,000	99.500	4,975,000	442,500	8.895	8.930	300	Aaa AAA
Ford Motor Credit Company								
8-3/8%, 12/1/2002	5,000,000	97.312	4,865,625	418,750	8.606	8.638	100	Aa AA-



Purchases:

	Par Value	Executed Price Unit - Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's
Government National Mortgage Assn. 7-1/2%, 6/15/2007	\$ 5,000,000	95.638	4,782,740 \$	7.841%	8.058%	\$ 300	Aaa AAA
Government National Mortgage Assn. 8%, 7/15/2007	5,000,000	98.598	4,929,688	8.114	8.148	100	Aaa AAA
Hame Savings & Loan Assn. 7-1/4%, 6/15/1982	5,000,000	98.373	4,918,630	7.400	7.666	200	--- AAA
Haneywell Finance Company 7%, 11/1/1978	1,000,000	100.125	1,001,250	6.991	6.873	50	A A
Household Finance Company 7-3/4%, 10/1/1999	2,000,000	93.284	1,865,670	8.308	8.430	100	Aa AA
*Household Finance Company 8-1/2%, 4/1/2001	500,000	97.500	487,500	8.717	8.752	100	Aa AA
Indiana Bell Telephone Company 8-1/8%, 3/1/2017	5,000,000	93.613	4,680,650	8.679	8.700	130	Aaa AAA
Lachmar (Hull 53) 8-5/8%, 12/31/2001	1,400,000	97.788	1,369,032	8.820	8.850	40	Aaa AAA
Montgomery Ward Credit 8-3/8%, 10/1/2002	5,000,000	98.027	4,901,340	8.544	8.567	75	A A
Montgomery Ward Credit 8-7/8%, 3/15/2003	4,500,000	99.346	4,470,550	8.934	8.940	75	A A
New York Telephone Company 7-7/8%, 6/15/2017	5,000,000	97.324	4,866,200	8.092	8.100	200	Aaa AAA
Northwestern Bell Telephone 7-7/8%, 1/1/2011	6,000,000	92.424	5,545,460	8.521	8.567	150	Aaa AAA
Southern Pacific Transportation Co. 8.20%, 12/1/2001	1,250,000	91.000	1,137,500	9.010	9.137	100	A A
Union Tank Car Company 8.35%, 12/1/1997	5,000,000	100.000	5,000,000	8.350	8.350	40	A A





BOILING TRANSPORTATION

JULY 1, 1977 THROUGH JUNE 30, 1978

Purchases:	Par Value	Executed Price Unit	Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's
United States Treasury 8%, 8/15/2001	\$ 5,000,000	97.562	\$ 4,878,125	\$ 400,000	8.200%	8.232%	\$ 900	Aaa AAA
United States Treasury 8-1/4%, 5/15/2005	7,500,000	99.941	7,495,578	618,750	8.255	8.253	1,006	Aaa AAA
United States Treasury 8-3/8%, 8/15/2000	2,000,000	99.102	1,982,031	167,500	8.451	8.463	1,291	Aaa AAA
Wisconsin Electric Power Company 8-7/8%, 5/15/2008	2,300,000	98.439	2,264,097	204,125	9.016	9.025	80	Aa AA
Zapata Ocean Carriers, Inc. 7.95%, 9/1/2004	9,530,000	97.232	9,266,242	757,635	8.176	8.216	50	Aaa AAA
Total:	\$150,481,000		\$147,280,625	\$12,216,321	8.295%			



JULY 1, 1977 THROUGH JUNE 30, 1978

## Sales:

## American Telephone &amp; Telegraph

5-1/2%, 1/1/1997

## American Telephone &amp; Telegraph

8.80%, 5/15/2005

## Atlantic Richfield

5-5/8%, 5/15/1997

## Belt Railway Co. of Chicago

4-5/8%, 8/15/1987

## Borden, Incorporated

4-3/8%, 12/1/1991

## Carnation Company

8-1/2%, 5/1/1999

## Central Illinois Public Service

3-1/2%, 9/1/1982

## C.I.T. Financial

4-1/2%, 9/1/1984

## Commonwealth Edison

2-3/4%, 4/1/1999

## Consolidated Natural Gas

4-3/4%, 5/1/1986

## Consolidated Natural Gas

4-3/8%, 4/1/1988

## Continental Oil Company

4-1/2%, 5/1/1991

## Crown Zellerbach

8-7/8%, 3/15/2000

	Per Value	Executed Price Unit	Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's	Realized Gain/(Loss)
\$	300,000	77.211	\$ 231,633	\$ 16,500	7.123%	7.800%	\$ 250	Aaa AAA	\$( 18,896.26)
	3,000,000	101.750	3,052,500	264,000	8.649	8.630	500	Aaa AAA	53,631.13
	1,000,000	89.450	894,500	56,250	6.288	6.585	82	Aa AA	( 105,500.00)
	980,000	80.256	786,509	43,325	5.763	7.436	25	Aa AA	( 200,013.56)
	1,000,000	93.000	930,000	43,750	4.704	5.072	30	Aa A	( 62,026.53)
	2,000,000	100.250	2,005,000	170,000	8.479	8.474	50	Aaa AAA	9,619.01
	300,000	85.000	255,000	10,500	4.118	7.050	5	Aa AA	( 39,462.91)
	1,000,000	82.829	828,290	45,000	5.433	7.748	100	Aa AA	( 23,182.22)
	395,000	57.904	228,721	10,862	4.749	6.381	19	Aa A	( 166,941.19)
	600,000	83.710	502,260	28,500	5.674	7.345	21	Aa AA	( 96,190.89)
	889,000	78.260	695,731	38,894	5.590	7.391	23	Aa AA	( 186,807.52)
	1,125,000	81.143	912,859	50,625	5.546	6.716	62	Aa AA	( 208,238.22)
	900,000	104.305	938,745	79,875	8.509	8.443	125	A A	36,647.43



## Sales:

	Par Value	Executed Price Unit	Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's	Realized Gain/(Loss)
Dow Chemical Company 4.35%, 9/15/1988	\$ 650,000	82.921	\$ 538,986	\$ 28,275	5.245%	6.544%	\$ 83	Aa A	\$ ( 111,013.50)
Duquesne Light Company 2-3/4%, 8/1/1990	350,000	89.120	311,920	9,625	3.086	6.833	12	Aa AA	( 38,745.60)
Federal Land Banks 7.95%, 10/21/1996	4,000,000	102.250	4,090,000	318,000	7.777	7.722	350	Aaa AAA	90,000.00
Florida Power and Light 3-5/8%, 11/1/1981	100,000	86.025	86,025	3,625	4.214	8.450	10	A A+	( 12,257.58)
Florida Power and Light 3-7/8%, 4/1/1983	418,000	82.728	345,803	16,198	4.684	7.757	15	A A	( 59,399.46)
Ford Motor Company 9-1/4%, 7/15/1994	3,000,000	107.020	3,210,600	277,500	8.643	7.451	250	Aaa AAA	210,600.00
General Electric 7-1/2%, 3/15/1996	2,000,000	98.400	1,968,000	150,000	7.622	7.662	179	Aaa AAA	( 32,000.00)
General Motors Acceptance Corp. 5%, 3/15/1981	365,000	92.235	336,658	18,250	5.421	8.000	100	Aaa AA	( 14,949.80)
General Motors Acceptance Corp. 6-1/4%, 8/1/1988	1,500,000	85.987	1,289,805	93,750	7.268	8.290	150	Aaa AAA	( 42,654.44)
Gulf States Utilities 2-3/4%, 6/1/1980	200,000	89.561	179,122	5,500	3.071	6.893	13	Aa AA	( 21,054.76)
Honeywell, Incorporated 5-1/4%, 8/1/1988	500,000	83.375	416,875	26,250	6.300	7.569	49	A A	( 82,371.95)
Houston Lighting & Power 3-1/4%, 3/1/1986	365,000	72.500	264,625	11,863	4.483	7.863	30	Aa AA	( 97,363.81)
Inland Steel 7.90%, 6/1/1980	2,000,000	98.000	1,960,000	158,000	8.061	8.078	125	Aa AA	( 40,000.00)
International Paper Company 8.85%, 12/15/2000	2,000,000	100.000	2,000,000	177,000	8.850	8.850	150	Aa AA=	-0-
Kansas City Power & Light 3-1/4%, 1/15/1983	500,000	82.800	414,000	16,250	3.925	7.135	10	Aa AA	( 87,482.14)



## Sales:

	Par Value	Executed Price Unit - Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's	Realized Gain/(Loss)
Magnavox Company 4-3/4%, 2/15/1986	\$ 275,000	77.700 \$ 213,675	\$ 13,062	6.113%	8.548%	15	Baa 888	\$ ( 21,149.86)
Ohio Valley Electric 3-3/4%, 1/1/1982	407,000	84.500	343,915	4.438	8.640	70	Not Rated	( 55,025.68)
Pacific Gas & Electric Company 3%, 6/1/1983	500,000	78.870	394,350	3.804	8.340	55	Aa AA-	( 106,076.41)
Pacific Telephone & Telegraph 2-3/4%, 12/1/1985	220,000	70.646	155,421	3.893	7.752	75	Aaa AA-	( 56,369.70)
Patamac Electric Power Company 3%, 11/1/1983	100,000	79.047	79,047	3.795	8.750	15	A A+	( 20,953.00)
Public Service Indiana 3-3/8%, 7/1/1982	500,000	85.500	427,500	3.947	6.920	25	Aa AA	( 74,845.12)
Public Service Oklahoma 3-3/8%, 3/1/1983	500,000	82.428	412,140	4.094	7.313	6	Aa AA	( 85,950.34)
Rolston Purina 7.70%, 3/15/1996	4,000,000	97.125	3,885,000	7.928	8.000	49	Aa A+	( 115,000.00)
Rochester Telephone 7-5/8%, 3/1/2001	1,000,000	94.044	940,440	8.108	8.200	30	Aa AA	154,171.92
Sears Roebuck Acceptance Corporation 5%, 7/15/1982	500,000	90.502	452,510	5.525	7.384	50	Aaa AAA	( 6,997.23)
Shell Pipeline Company 7-1/2%, 7/1/1999	1,500,000	97.121	1,456,815	7.722	7.750	60	Aaa AAA	87,552.22
Sinclair Oil Company 4.60%, 12/15/1988	1,160,000	84.142	976,047	5.467	6.598	100	Aa AA	21,094.26
Southern Pacific Company 5-1/4%, 10/1/1983	440,000	84.600	372,240	6.206	9.000	29	A A	( 33,002.37)
Sun Oil Company 4-5/8%, 11/15/1990	1,000,000	85.030	850,300	5.439	6.300	68	Aa AA	( 142,924.20)





## Sales:

## Terminal Railway Assn. of St. Louis

	Per Value	Executed Price Unit	Total	Annual Income	Current Yield	Yield To Maturity	Millions Outstanding	Quality Rating Moody's Std. & Poor's	Realized Gain/(Loss)
2-7/8%, 10/1/1985	\$ 500,000	71.794	\$ 358,970	\$ 14,375	4.004%	7.549%	\$ 27	Aa	\$( 108,508.67)
Travelers Corporation									
8.70%, 8/1/1995	1,347,000	100.000	1,347,000	117,189	8.700	8.700	86	--	-0-
United Gas Pipeline									
5-3/8%, 6/1/1982	559,000	91.000	508,690	30,046	5.907	7.954	13	Baa	( 52,406.39)
United Gas Pipeline									
5-3/4%, 11/1/1980	894,000	95.000	849,300	51,405	6.053	7.975	9	Baa	( 45,266.39)
United States Steel Company									
4-1/2%, 4/15/1986	1,000,000	81.250	812,500	45,000	5.538	7.551	99	Aa	( 183,914.81)
United States Treasury									
4-1/4%, 5/15/1985	3,000,000	82.078	2,462,344	127,500	5.178	7.538	672	Aaa	( 537,656.85)
United States Treasury									
4-1/4%, 8/15/1992	4,735,000	77.953	3,691,080	201,238	5.452	6.608	1,897	Aaa	(1,048,461.19)
Utah Power and Light									
3-5/8%, 9/1/1985	300,000	75.230	225,690	10,875	4.819	7.950	15	A	( 61,521.67)
Westinghouse Electric Corporation									
5-3/8%, 4/1/1992	535,000	76.160	407,456	28,756	7.058	8.317	112	A	( 127,544.00)
Wisconsin Power and Light									
8-7/8%, 10/1/2000	1,000,000	101.020	1,010,200	87,500	8.786	8.770	25	Aa	7,777.81
Total:	\$57,409,000		\$52,306,797	\$3,614,635	6.910%				\$ (3,959,032.44)



QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP OR PORT	INVESTED DIVIDEND	INCOME	*** CURRENT OR TO MATURITY	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	*** UNREALIZED GAIN/LOSS TO
	NOTES											
2400000	ASSOC CO NORTH AMER	JJ 7.60 07/19/78	100	4.2		182,400	7.60	2,400,000				
7600000	ASSOC CO NORTH AMER	JJ 7.60 07/24/78	100	13.2		577,600	7.60	7,600,000				
4886000	CIT FINANCIAL CO	JJ 7.70 07/31/78	100	8.5		376,222	7.70	4,886,000				
4611000	GEN ELECT CREDIT	JJ 7.18 07/05/78	100	8.0		328,534	7.13	4,611,000				
7000000	GEN MOTORS ACCEPT	JJ 7.12 07/17/78	100	12.2		525,000	7.50	7,000,000				
5856000	FORD MOTOR CREDIT	JJ 7.55 07/19/78	100	10.2		442,128	7.55	5,856,000				
2156000	JC PENNEY FINCL	JJ 7.25 07/11/78	100	3.7		162,778	7.55	2,156,000				
6550000	MONTGOMERY WARD CRE	JJ 7.12 07/07/78	100	11.4		491,250	7.50	6,550,000				
6550000	SEARS ROEBUCK ACCEPT	JJ 7.12 07/07/78	100	11.4		491,250	7.50	6,550,000				
4005000	WESTINGHOUSE CREDIT	JJ 7.15 07/05/78	100	7.0		286,158	7.15	4,005,000				
4251000	WESTINGHOUSE CREDIT	JJ 7.15 07/05/78	100	7.4		303,947	7.15	4,251,000				
1744000	WESTINGHOUSE CREDIT	JJ 7.60 07/19/78	100	3.0		132,544	7.60	1,744,000				
	TOTAL NOTES		57,609,000			4,300,011	7.4657,609,000					
	MISCELLANEOUS FIXED INCOME											
5000000	CR INSTITUTIONAL FD		5,000,000	25.0				5,000,000				
5000000	CR INSTITUTIONAL F9		5,000,000	25.0				5,000,000				
5000000	CR INSTITUTIONAL FD		5,000,000	25.0				5,000,000				
	TOTAL MISCELLANEOUS FIXED INCOME		20,000,000					20,000,000				
	BONDS											
	U.S. TSY AND FEDL AGENCIES											
	U.S. TREASURY NOTES											
5000000	US TREASURY NOTES	MN7 7/8 05/15/84	95 7/8	.1		39,375	8.62	500,000	20,625	4.1		NC AAA
3000000	US TREASURY NOTES	FAB 1/8 08/15/84	98 3/4	.6		243,750	8.50	2,967,188	4,688	.2		NC AAA
2000000	US TREASURY NOTES	FA 8 1/2 02/15/84	98 3/8			16,000	8.44	200,025	3,275	1.6		NC AAA
3000000	US TREASURY NOTES	FA 8 1/2 08/15/84	96 1/2	.1		24,000	8.62	300,000	10,500	3.5		NC AAA
8000000	US TREASURY NOTES	FAT 1/4 02/15/84	94 1/4	1.4		580,000	8.59	8,049,766	509,766	6.3		NC AAA
	TOTAL U.S. TREASURY NOTES		11,468,125	2.2		903,125	7.8012,016,979		548,954	4.6		

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
R - PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY.

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
R - PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY.

X - INCLUDES EXTRA DIVIDENDS PAID

each group (cash, mortgages &amp; notes, misc. fixed incomes, bonds, mortgages, assets held by an owner in sole group, etc.).

U. S. Treasury and Federal Agency issues are quoted in 32nds except

not make any representations as to its accuracy or completeness.

becomes referred to herein, and may, or principal or agent, buy

H • PAYABLE IN CANADIAN FUNDS. LESS 10% TAX WITHHELD.

NC : NON CALCABLE  
M : DESCRIPTION INCLUDES AMOUNT RECEIVED PER SHARE IN

at ●● Indicated dividend based on either actual dividends paid  
le ●● Twelve preceding months or current indicated rate, unless o

3. ●●● Non-Colleable or Non-Refundable Until Year Noted.  
 ●●●● bills, which are discount price per \$100, 360 day basis.

initiated services, issuer reports or communications, or other sources but does not constitute an investment recommendation or an offer to sell securities. Opinions and non-factual information constitute only current opinions, which could change.

**Security.**

U - DIVIDENDS OMITTED IN LATEST PERIOD.  
Y - CRUIT PENDING

Z - PAID SMALL STOCK DIVIDEND (10% OR

a yield to maturity shown for oil bonds except those which carry current yield.

Treasury bills, carry approximate bond equivalent yields carry current yield.

er, such information has not been verified by the Corporation or its Officers and Directors may have















QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF CURRENT STOCK	INDICATED DIVIDEND	INCOME	YIELD TO MATURITY	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	MOODY'S RATING
1000000	AFTRA RUS CRED NTS	JJR 3/4 C7/15/83	990,000	2		87,500	9.00	1,000,000	10,000	1.0	100.00	A
1500000	ASSOC INVEST CO	A04 5/8 04/01/85	1,140,000	2		69,375	9.38	1,120,500	19,500	1.7	101.00	A
3000000	RAKAMERICA CORP NTS	J06 5/8 12/01/80	2,895,000	5		198,750	8.32	2,596,200	91,200	3.1	100.00	A
9600000	RAKAMERICA CORP	FA 7/4 02/01/80	796,800	2		71,520	9.30	798,654	1,854	2	103.10	A
5000000	BENEFICIAL CORP	MN7 1/2 05/15/99	4,275,000	8		375,000	9.10	4,579,002	304,002	6.6	102.60	A
2000000	BENEFICIAL CORP	MN7 1/2 11/01/96	1,712,500	3		150,000	9.10	1,694,372	28,128	1.7	103.20	AA
2000000	BENEFICIAL CORP	JJ7 1/2 07/15/02	1,675,000	3		150,000	9.20	1,799,880	124,880	6.9	102.60	AA
6000000	BENEFICIAL CORP	J0 8/40 12/01/07	5,550,000	1		504,000	9.14	5,922,615	372,615	6.3	107.00	AA
3500000	CIT FINANCIAL	M58 3/4 03/15/08	3,220,000	6		306,250	9.57	3,423,750	203,750	6.0	102.00	AA
3000000	CIT FINANCIAL	J09 1/2 06/01/95	3,056,250	7		285,000	9.27	2,985,000	71,250	2.4	103.60	AA
4000000	CIT FINANCIAL	A08 3/8 04/01/01	3,710,000	7		335,000	9.14	3,870,430	160,430	4.1	103.82	AA
5000000	CALIF FED SEL ASSN	A07 3/8 10/01/82	4,706,250	9		368,750	9.13	4,975,000	268,750	5.4	100.00	AA
2000000	CHRYSLER FINANCIAL	FA 7% 08/15/79	1,935,000	4		140,000	10.40	1,975,700	40,700	2.1	100.00	BAAM
5000000	COAST FED SAVEL ASS	A07 1/2 10/01/82	4,737,500	9		375,000	8.75	4,993,750	206,250	4.1	100.00	NC
2000000	COMMER CREDIT NOTES	J06 7/8 07/15/79	1,955,000	4		137,500	9.40	1,990,000	35,000	1.8	100.00	A
1500000	COMMER CREDIT	FA4 1/2 08/01/85	1,145,625	2		67,500	9.21	1,126,875	18,750	1.7	101.00	AA
1000000	DEFER JNK CREDIT	A0 5/8 10/31/90	972,500	1		50,000	9.62	764,500	89,000	11.8	102.00	AA
1000000	1ST JNK OREGON NTS	FA6 3/4 02/15/80	3,780,000	7		270,000	9.55	3,982,400	202,400	5.1	100.00	79
4000000	FIRST CHICAGO CORP	MN6 3/4 11/01/80	3,780,000	7		418,750	8.95	4,865,625	146,875	3.0	102.00	AA
5000000	FORD MOTOR CREDIT	J08 3/8 12/01/02	4,718,750	1		18,250	8.68	316,920	17,611	5.6	100.00	AA
3650000	GFAL MOTORS ACCEPT	M5 5/8 03/15/81	3,344,431	1		383,681	8.58	4,881,405	277,724	5.7	102.30	AA
5385000	GFAL MOTORS ACCEPT	M57 1/8 09/01/92	4,604,175	9		235,500	9.02	3,000,000	322,500	10.9	103.95	83
3000000	GFAL MOTORS ACCEPT	M9 1/4 08/01/98	2,677,500	5		725,000	9.15	9,913,630	513,630	5.2	100.00	AA
1000000	HONEYWELL FINANCE	MN 7% 06/15/82	9,400,000	1		70,000	11.95	1,000,125	12,625	1.3	100.00	AA
1000000	HONEYWELL FINANCE	MN 7% 11/01/78	987,500	2		387,500	9.19	4,611,758	274,258	5.9	102.00	AA
5000000	HOUSEHOLD FINANCE	2R A07 3/4 10/01/99	4,337,500	8		251,250	9.13	2,976,000	197,250	6.6	102.00	AA
3000000	HOUSEHOLD FINANCE	4R A08 3/8 10/01/93	2,778,750	5		212,500	8.97	2,394,257	6,757	3	102.00	84
2500000	HOUSEHOLD FINANCE	2N A08 1/2 04/01/01	2,387,500	5		64,125	9.01	1,123,605	101,520	9.0	100.00	AA
1350000	MONT WARD CREDIT	FA4 3/4 02/01/81	4,250,125	2		418,750	10.05	4,901,360	651,190	13.3	104.19	87
5000000	MONT WARD CREDIT	A08 3/8 10/01/02	4,250,000	8		399,375	9.29	4,470,550	150,550	3.4	104.06	89
4500000	MONT WARD CREDIT	M58 7/8 03/15/03	4,320,000	3		157,500	9.33	1,762,500	42,500	2.4	103.28	81
2000000	PENNEY JC FINCL	M57 7/8 09/15/91	1,785,000	3		220,500	9.44	3,000,000	577,500	19.3	103.68	82
3000000	UNION BANK CAP NTS	FA 7.35 02/01/01	2,422,500	5						5.0		
	TOTAL BANKING AND FINANCE		95,206,156	18.1		7,971,326	8.37	171,643	4,965,487			

A - STOCK SPLIT OF MAJOR STOCK DIVIDEND PAID  
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 Y - STOCK SPLIT OF MAJOR STOCK DIVIDEND PAID  
 Z - STOCK SPLIT OF MAJOR STOCK DIVIDEND PAID









QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF COMMON STOCK OWNED	INDICATED DIVIDEND	INCOME	YIELD ON DIVIDEND	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	PROX. MAT. DATE
1260000	BURLINGTON NORTHERN	JJ 8.60 01/15/99	1,197,000	.2		108,360	9.14	1,260,000	63,000	5.0	107.04	84 A
306000	ILLINOIS TERM RP	JD4 5/8 12/01/87	194,310			14,123	11.04	306,000	111,690	36.5	102.40	A
120000	SOUTHERN PACIFIC Rwy	JD2 3/4 01/01/96	56,550			3,300	8.78	120,000	63,450	52.9	101.50	NC A
3750000	SOUTHW. PAC. TRANS. CO	JD 8.20 12/01/01	2,933,125	.6		266,500	9.23	3,137,500	204,375	6.5		NC AA
	TOTAL RAILROADS		4,380,985	.8		392,313	8.95	4,823,500	442,515	9.2		
	RAILROAD EQUIP. TRUST CTFS.											
2000000	GEN AMER. TRAN. EQ. TR.	MN9 1/2 05/01/94	2,005,000	.4		195,000	9.47	1,590,000	15,000	.8	103.75	RS A
2000000	GEN AMER. TRAN. EQ. TR.	JD9 3/4 06/01/95	2,047,500	.4		195,000	9.46	2,000,000	47,500	2.4	104.00	84 A
2000000	UNION TANK CAR EQ. TR.	JD 8.30 12/01/94	1,830,000	.3		166,000	9.28	2,000,000	170,000	8.5		NC A
5000000	UNION TANK CAR EQ. TR.	JD 8.35 12/01/97	4,550,000	.4		417,500	9.27	5,000,000	450,000	9.0		NC A
2000000	UNION TANK CAR EQUIP.	JD 9.80 06/01/95	2,050,000	.4		166,000	9.49	2,000,000	50,000	2.5		NC A
2000000	WESTERN MARYLAND RY	FA5 1/2 08/01/73	254,363			16,025	9.81	255,000	637	.2		
9060	WESTN. PAC. CON. 10522	JJ 4.40 07/01/74	8,060			394	4.40	9,060	91	1.0		
9060	WESTN. PAC. CON. 10522	AD 4.40 10/01/74	8,969			394	4.40	9,060	91	1.0		
100000	WESTERN PACIFIC	MS 4.55 03/01/74	97,750			4,550	8.55	100,000	2,250	2.3		
100000	WESTERN PACIFIC	MS 4.55 03/01/83	93,375			4,550	9.18	100,000	6,625	6.6		
309000	CHESSONHIO Rwy EQ. T	JD9 1/8 06/01/83	310,545	.1		28,194	8.99	309,000	1,545	.5		
309000	CHESSONHIO Rwy EQ. T	JD9 1/8 06/01/84	310,931	.1		28,194	9.01	309,000	1,931	.5		
309000	CHESSONHIO Rwy EQ. T	JD9 1/8 06/01/84	310,931	.1		28,194	9.00	309,000	1,931	.6		
325000	CHESSONHIO Rwy EQ.	FA5 1/2 08/01/78	322,563	.1		17,875	9.30	325,000	2,437	.7		
325000	CHESSONHIO Rwy EQ.	FA5 1/2 08/01/79	314,438	.1		17,875	8.97	325,000	10,562	3.2		
325000	CHESSONHIO Rwy EQ.	FA5 1/2 08/01/80	304,201	.1		17,875	9.09	325,000	20,719	6.4		
325000	CHESSONHIO Rwy EQ.	FA5 1/2 08/01/81	328,344	.1		17,875	9.09	325,000	29,656	9.1		
337000	CHESSONHIO Rwy EQ.	A05 1/8 04/01/79	320,125	.1		18,281	9.27	325,000	4,875	1.5		
325000	CHCN. RURL. & QUINCY	JJ5 5/8 01/01/79	320,125	.1		18,281	9.27	325,000	4,875	1.5		
250000	CLINCHFIELD RR. SFR.	FA4 1/4 02/01/79	243,438			10,654	9.63	250,000	6,562	2.6		
553000	CLINCHFIELD RR. SFR.	F FA5 1/2 08/01/79	547,470	.1		30,413	9.30	553,000	5,530	1.0		
553000	CLINCHFIELD RR. SFR.	F FA5 1/2 08/01/79	535,028	.1		30,413	8.97	553,000	17,972	3.2		
181000	DNFNER & RGV EQ. TR.	A04 1/4 10/01/78	178,738			7,693	11.40	181,000	2,262	1.2		
181000	DNFNER & RGV EQ. TR.	A04 1/4 04/01/79	175,344			7,693	9.36	181,000	5,656	3.1		
50000	DNFNER & RGV EQ. TR.	JJ4 1/8 07/01/78	50,000			2,063	4.13	50,000	3,000	3.0		
100000	DNFNER & RGV EQ. TR.	JJ4 1/8 01/01/79	97,000			4,125	11.52	100,000	2,062	4.1		
50000	DNFNER & RGV EQ. TR.	JJ4 1/8 07/01/79	47,938			2,063	8.92	50,000	6,500	6.5		
100000	DNFNER & RGV EQ. TR.	JJ4 1/8 01/01/80	93,500			4,125	8.92	100,000	8,606	8.6		
135000	DNFNER & RGV EQ. TR.	MN 5/8 05/01/80	126,394			6,750	9.06	135,000	10,800	8.0		
135000	DNFNER & RGV EQ. TR.	MN 5/8 11/01/81	124,200			6,750	9.03	135,000	12,825	9.5		
135000	DNFNER & RGV EQ. TR.	MN 5/8 05/01/81	122,175			6,750	9.03	135,000	4,312	2.9		
150000	GT NOTHN. RY. EQ. TR.	MS4 1/8 03/01/79	145,688			6,184	9.27	150,000	19,500	3.3		
600000	GT NOTHN. RY. EQ. TR.	A04 1/8 04/01/79	580,500	.1		24,750	9.45	600,000				

U - DIVIDENDS OMITTED IN LATEST PERIOD

V - SPLIT FINDING

Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER)

\*\*\* Approx. yield to maturity shown for all bonds except convertible bonds which carry current yield

\*\*\* All income, interest and dividends are approximate bond equivalent yield.

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QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP TOTAL	INDICATED DIVIDEND	INCOME	YTD DIVIDEND	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	NO. OF MOODY'S RATING
600000	GREAT NORTHN RY	75 3/4	454,500	-1		31,500.00	0.50	600,000	145,500-	24.3-		
180000	ILL CENTRAL RR	97 3/4	175,950			10,125	9.66	180,000	4,050-	2.3-		
180000	ILL CENTRAL RR	96 3/4	173,875			10,125	9.63	180,000	6,525-	3.6-		
49222	KANSAS CITY SOTHR RR	100	49,222			2,190	4.45	49,222				
200000	LOUISIANA RY	97	194,000			8,500	9.63	200,000	6,000-	3.0-		
180000	LOUISIANA RY	92 1/2	166,500			7,650	9.5	180,000	13,500-	7.5-		
135000	LOUISIANA RY	90 1/2	122,175			6,750	9.1	135,000	12,825-	9.5-		
600000	SEABOARD ALN RR	97 3/4	586,500	-1		32,250	9.61	600,000	13,500-	2.3-		
120000	SOUTHERN RAILWAY	97 5/8	117,500			5,100	10.05	120,000	2,950-	2.4-		
140000	SOUTHERN RAILWAY	95 7/8	134,250			5,950	9.05	140,000	5,775-	4.1-		
140000	SOUTHERN RAILWAY	93 5/8	131,075			5,950	9.18	140,000	8,925-	6.4-		
496000	SOUTHERN RAILWAY	100 1/8	496,620	-1		44,640	9.84	496,000	620	-1		
496000	SOUTHERN RAILWAY	99 7/8	495,380	-1		44,640	9.05	496,000	620	-1		
234000	NORFOLK WESTERN CONT	99 5/8	233,125			19,305	8.86	234,000	877-	-4		
234000	NORFOLK WESTERN CONT	98 3/4	231,075			19,305	9.04	234,000	2,925-	1.3-		
234000	NORFOLK WESTERN CONT	98 1/8	229,613			19,305	9.07	234,000	4,387-	1.9-		
234000	NORFOLK WESTERN CONT	97 7/8	229,028			19,305	8.95	234,000	4,972-	2.1-		
234000	NORFOLK WESTERN CONT	97 1/2	228,150			19,305	8.92	234,000	5,950-	2.5-		
234000	NORFOLK WESTERN CONT	96 3/4	226,395			19,305	9.00	234,000	7,605-	3.3-		
234000	NORFOLK WESTERN CONT	96 3/4	226,395			19,305	9.01	234,000	7,605-	3.3-		
234000	NORFOLK WESTERN CONT	95 5/8	223,763			19,305	9.06	234,000	10,237-	4.4-		
	TOTAL RAILROAD EQUIP. TRUST CTFS.		23,954,670	4.5		1,900,278	7.9324	913,342	958,672-	3.8-		
	PUBLIC UTILITIES											
3000000	AMERICAN TEL & TEL	97	2,910,000	-4		258,750	8.92	3,022,500	112,500-	3.7-	107.03	80
1000000	AMERICAN TEL & TEL	66 1/4	662,500	-1		38,750	8.48	1,000,000	337,500-	33.8-	101.84	AAA
575000	AMERICAN TEL & TEL	68 1/2	393,875	-1		27,913	8.68	575,000	181,125-	31.5-	102.12	AAA
2000000	AMERICAN TEL & TEL	64 1/4	1,280,000	-2		95,000	8.59	2,000,000	720,000-	36.0-	102.71	AAA
1150000	AMERICAN TEL & TEL	65 1/2	753,250	-1		58,938	8.65	1,150,000	396,750-	34.5-	103.23	AAA
4000000	AMERICAN TEL & TEL	83 1/4	3,325,000	-6		285,400	8.61	3,990,000	665,000-	16.7-	105.55	AAA
400000	ASSOC TEL LTD	94 5/8	378,500	-1		11,500	7.64	400,000	21,500-	5.4-	100.26	AA
500000	ATLANTIC CITY ELEC	91	455,000	-1		14,375	7.32	500,000	45,000-	9.0-	100.39	AA
250000	ATLANTIC CITY ELEC	92 1/2	231,875	-1		7,500	8.26	250,000	18,125-	7.2-	101.12	AA
500000	ATLANTIC CITY ELEC	72 3/8	361,875	-1		16,250	8.97	500,000	138,125-	27.6-	101.12	AA
1000000	ATLANTIC CITY ELEC	67 3/4	677,500	-1		38,750	9.02	1,000,000	322,500-	32.3-	102.12	AA
150000	ATLANTIC CITY ELEC	64	96,000	-1		6,750	9.18	150,000	54,000-	36.0-	102.98	AA
100000	ATLANTIC CITY ELEC	61 5/8	616,250	-1		43,750	9.28	1,000,000	383,750-	38.4-	103.39	AA
500000	ATLANTIC CITY ELEC	66 1/4	331,250	-1		26,250	9.19	500,000	168,750-	33.8-	103.97	AA
576000	BALTIMORE GAS & ELEC	96	504,060	-1		25,647	7.26	526,000	21,940-	4.0-	100.68	AA
459000	BALTIMORE GAS & ELEC	78 1/2	360,315	-1		22,376	8.76	459,000	98,685-	21.5-	102.24	AA
500000	BALTIMORE GAS & ELEC	57 3/8	286,875	-1		16,250	9.05	500,000	213,125-	42.6-	101.33	AA
500000	BALTIMORE GAS & ELEC	58 7/8	294,375	-1		15,000	9.17	500,000	250,625-	41.1-	101.19	AA
800000	BALTIMORE GAS & ELEC	62 3/4	502,000	-1		35,000	9.23	800,000	298,000-	37.3-	102.72	AA

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QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP OF PORT.	INCOME	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	*** ADJUSTED TO MATURITY
500000	CONSUMERS POWER	86 1/4	431,250	1	15,625	500,000	68,750	13.8	100.47	BAA
945000	CONSUMERS POWER	72 5/8	686,304	1	37,800	945,000	258,696	27.4	101.56	BAA
700000	CONSUMERS POWER	66	465,000	1	6,500	200,000	69,000	34.0	101.38	PAA
800000	CONSUMERS POWER	69	552,000	1	39,600	800,000	248,000	31.0	101.90	PAA
800000	CONSUMERS POWER	66 5/8	532,125	1	37,000	800,000	268,000	33.5	101.95	PAA
500000	CONSUMERS POWER	66 5/8	330,000	1	23,125	500,000	169,875	33.4	101.92	PAA
500000	CONSUMERS POWER	64	330,000	1	23,125	500,000	169,875	33.4	101.92	PAA
1000000	CONSUMERS POWER	69	690,000	1	60,000	1,000,000	310,000	31.0	102.26	PAA
100000	DALLAS POWER & LIGHT	96 7/8	96,875	1	2,875	100,000	3,125	3.1	105.03	BAA
500000	DALLAS POWER & LIGHT	92 3/8	468,125	1	1,375	500,000	3,812	7.6	100.30	AAA
850000	DALLAS POWER & LIGHT	70 1/2	599,250	1	26,563	850,000	250,750	29.5	100.89	AAA
765000	DALLAS POWER & LIGHT	81 3/4	635,381	1	51,638	765,000	129,612	18.2	105.01	AA
400000	DELAWARE PWR & LIGHT	91 1/4	365,000	1	11,000	400,000	35,000	8.8	100.24	A
500000	DELAWARE PWR & LIGHT	92 1/8	360,625	1	17,500	500,000	139,375	27.9	101.41	A
1000000	DELAWARE PWR & LIGHT	72 1/8	720,000	1	3,875	1,000,000	280,000	28.0	101.49	A
523000	DETROIT EDISON CO	90 3/8	472,661	1	16,598	509,433	36,772	7.2	100.25	PAA
1130000	DETROIT EDISON CO	73 1/4	834,423	1	31,108	1,014,131	180,708	18.0	100.47	PAA
336000	DETROIT EDISON CO	73 1/4	246,121	1	5,660	297,120	51,000	17.2	100.47	PAA
375000	DETROIT EDISON CO	71	185,250	1	7,563	276,502	81,252	29.4	100.53	PAA
1000000	DETROIT EDISON CO	69 1/4	682,500	1	64,000	1,000,000	307,500	30.8	100.65	PAA
3000000	DETROIT EDISON CO	78	2,340,000	1	225,000	3,000,000	660,000	22.0	106.29	PAA
310000	DUKE POWER CO	97 1/2	302,250	1	8,913	310,000	7,750	2.5	100.00	A
1250000	DUKE POWER CO	64 1/2	806,250	1	56,250	1,250,000	443,750	35.5	102.47	A
1000000	DUKE POWER CO	62	610,000	1	42,500	1,000,000	380,000	38.0	102.54	A
1000000	DUQUESNE LIGHT CO	94 5/8	946,250	1	24,625	1,000,000	5,375	5.4	100.13	AA
2500000	DUQUESNE LIGHT CO	76	1,900,000	1	7,813	250,000	60,000	24.0	101.14	AA
1000000	DUQUESNE LIGHT CO	71 1/4	712,500	1	39,375	1,000,000	287,500	28.8	101.35	AA
750000	DUQUESNE LIGHT CO	65 1/8	480,438	1	39,375	750,000	261,562	34.9	103.92	AA
700000	EL PASO ELECTRIC	65 1/4	456,750	1	32,375	700,000	243,250	34.8	102.63	A
418000	FLORIDA POWER CORP	68 3/8	285,800	1	19,859	418,000	132,192	31.6	102.54	A
500000	FLORIDA POWER CORP	82 7/8	418,000	1	21,250	500,000	190,000	38.0	102.47	A
2500000	FLORIDA POWER & LGT	62 7/8	1,612,500	1	187,500	2,500,000	887,500	35.5	102.47	A
700000	FLORIDA POWER & LGT	62 5/8	448,375	1	32,375	700,000	261,625	37.4	103.69	A
600000	FLORIDA POWER & LGT	61 3/8	375,000	1	32,375	600,000	227,625	37.8	103.82	A
1000000	GENT TEL CO CALIF	65 5/8	676,250	1	46,250	1,000,000	323,750	32.4	102.24	A
900000	GENT TEL CO CALIF	61 5/8	554,625	1	39,375	900,000	345,375	38.4	102.59	A
500000	GENT TEL CO CALIF	60 3/4	330,000	1	30,000	500,000	170,000	34.0	103.60	A
200000	GENT TEL CO CALIF	72 1/4	150,000	1	9,000	200,000	50,000	25.0	103.72	A
515000	GENT TEL CO IND	74 3/8	383,031	1	22,831	515,000	131,969	25.6	103.97	AA
300000	GEORGIA POWER CO	78 5/8	2,338,750	1	225,000	3,000,000	675,000	22.5	106.21	PAA
200000	GULF STATES UTIL	94 1/8	188,250	1	5,000	200,000	11,750	5.9	100.30	AA
500000	GULF STATES UTIL	74 3/8	371,875	1	21,250	500,000	128,125	25.6	101.45	AA
1200000	HARTFORD ELECTRIC L	60 1/2	726,000	1	51,000	1,200,000	474,000	39.5	101.87	AA
500000	HOUSTON LIT & POWER	66 1/2	289,375	1	15,000	500,000	210,625	40.1	101.68	AA
3500000	HOUSTON LIT & POWER	66 1/4	2,311,875	1	18,375	3,500,000	118,125	33.8	104.44	AA

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QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP OR PORT	INDICATED DIVIDEND	INCOME	CURRENT YIELD TO MATURITY	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	MOODY'S RATING
9000000	HOUSTON LTG & POWER	JJ5 1/4 01/01/97	590,625	.1		47,250	9.18	900,000	309,375	34.4	104.50	AA
400000	IDAHO POWER CO	JJ4 1/2 01/01/87	292,500	.1		18,000	9.22	400,000	107,500	26.9	101.38	AA
300000	IDAHO POWER CO	AO 4 04/01/83	205,750			12,000	9.07	300,000	95,250	31.8	101.38	AA
2000000	ILLINOIS BELL TEL	JD 8 12/10/04	1,817,500	.3		180,000	8.90	2,000,000	182,500	9.1	106.46	AAA
100000	ILLINOIS POWER CO	JD 2 7/8 07/01/74	95,875			2,875	7.62	100,000	4,125	4.1	100.25	AA
600000	ILLINOIS POWER CO	MN 4 05/01/74	410,250	.1		24,000	9.00	600,000	189,750	31.6	102.30	AA
400000	ILLINOIS POWER CO	JJ6 1/4 01/01/93	246,000			17,000	9.16	400,000	154,000	38.5	102.47	AA
450000	ILLINOIS POWER CO	AO 5 85 10/01/96	320,063			26,325	9.17	450,000	128,937	28.9	101.64	AA
5000000	INDIANA BELL TEL	MSR 1/8 03/01/17	4,562,500	.6		406,250	8.94	4,680,650	119,150	2.5	106.41	AAA
800000	INDIANA BELL TEL	FA 3/8 06/01/03	439,000	.1		35,000	8.97	800,000	361,000	45.1	103.85	AAA
214000	INDIANA & MICH ELFC	MS 3 09/01/74	212,128			6,420	11.94	214,000	1,872	.9	100.00	AAA
261000	INDIANA & MICH ELFC	JD2 3/4 06/01/80	240,446			7,178	7.45	261,000	20,554	7.9	100.25	AAA
1970000	INDIANAPOLIS PWRLT	JD3 5/8 06/01/86	1,406,088	.3		71,413	8.83	1,970,000	563,912	28.6	101.54	AA
1175000	INDIANAPOLIS PWRLT	MN 7 1/8 05/01/93	951,750	.2		83,719	9.25	1,175,000	223,250	19.0	105.99	AA
240000	IOWA POWER & LIGHT	JD2 3/4 12/01/73	394,378	.1		6,848	7.47	249,000	146,399	5.9	100.26	AA
498000	IOWA POWER & LIGHT	JD3 3/8 12/01/83	337,778	.1		16,808	8.17	498,000	100,222	20.1	100.85	AA
500000	IOWA POWER & LIGHT	JD3 5/8 06/01/87	357,500	.1		18,125	8.81	500,000	142,500	28.5	101.49	AA
500000	IOWA POWER & LIGHT	JJ3 5/8 01/01/83	333,750	.1		18,125	9.00	500,000	166,250	33.3	101.27	AA
450000	IOWA POWER & LIGHT	JD4 5/8 01/01/91	330,188	.1		20,813	9.12	450,000	146,812	32.6	102.26	AA
75000	KANSAS CITY PWRLGT	FA 3 1/4 02/15/83	54,654			2,438	8.88	75,000	20,344	27.1	101.34	AA
600000	KANSAS CITY PWRLGT	FJ 5 01/01/91	429,750	.1		30,000	9.09	600,000	170,250	28.4	102.30	AA
500000	LACLEDE GAS CO	JD6 5/8 06/01/85	350,625	.1		23,125	9.07	500,000	149,375	29.9	102.47	AA
1000000	PNRCH CORP	JD6 1/8 06/15/91	760,000	.1		61,250	9.27	1,000,000	242,812	24.0	104.14	A
750000	LONG ISLAND LTG	AO5 1/2 04/01/91	507,188			41,250	9.13	750,000	242,812	32.4	104.77	AA
950000	LONG ISLAND LTG	MS7 5/8 09/01/02	795,625	.2		72,438	9.34	966,625	171,000	17.7	107.54	AAA
325000	LOUISVILLE GAS&ELEC	MN2 3/4 11/01/73	307,125			8,938	7.44	325,000	17,875	5.5	100.24	AAA
175000	LOUISVILLE GAS&ELEC	FA3 1/8 02/01/87	153,563			5,469	7.18	175,000	21,437	12.2	100.47	AAA
500000	LOUISVILLE GAS&ELEC	MS4 7/8 09/01/87	381,250	.1		24,375	8.77	500,000	118,750	23.8	101.93	AAA
500000	MICHIGAN BELL TEL	JD4 3/8 12/01/91	329,375	.1		21,875	8.83	500,000	170,625	34.1	101.82	AAA
300000	MICHIGAN BELL TEL	MN4 3/4 11/01/92	330,750	.1		23,750	8.80	500,000	161,250	32.3	101.43	AAA
300000	MICHIGAN BELL TEL	FA4 5/8 08/01/95	187,875			13,875	8.85	300,000	112,125	37.4	102.46	AAA
1000000	MT STATES TEL & TEL	FA6 3/8 02/01/03	753,750	.1		63,750	8.80	821,395	67,645	8.2	104.30	AAA
500000	MT STATES TEL & TEL	FA 3 03/01/89	300,000			15,000	8.82	500,000	200,000	40.0	101.10	AAA
745000	MT STATES TEL & TEL	JD3 1/2 06/01/97	460,038	.1		26,075	8.83	745,000	284,962	38.2	101.28	AAA
715000	MT STATES TEL & TEL	AO 5 04/02/95	454,025	.1		35,750	8.83	715,000	260,975	36.9	102.99	AAA
650000	MT STATES TEL & TEL	JD4 1/2 06/01/03	371,313	.1		29,250	8.88	650,000	278,687	42.9	103.90	AAA
2500000	MT STATES TEL & TEL	JD7 3/4 06/01/13	2,150,000	.4		193,750	9.08	2,222,465	76,465	3.4	106.64	AAA
155000	MT STATES TEL & TEL	MN2 5/8 05/15/86	104,431			4,066	8.52	155,000	50,569	32.6	100.63	AAA
350000	NARRAGANSETT ELEC	MS3 1/2 03/01/88	293,129	.1		12,250	7.84	350,000	137,400	16.3	100.68	A
480000	NARRAGANSETT ELEC	MS3 1/2 03/01/88	342,600	.1		16,800	8.82	480,000	137,400	28.6	101.32	A
450000	NFW ENGLAND POWER	JJ3 1/4 01/01/85	335,250	.1		14,625	8.56	450,000	114,750	25.5	101.03	AA
800000	NFW ENGLAND POWER	JD 4 06/01/88	549,000	.1		32,000	9.01	800,000	255,000	31.9	102.30	AA
500000	NEW ENGLAND TEL&TEL	MN3 1/4 11/15/91	280,250	.1		16,250	8.83	500,000	213,750	42.8	101.35	AAA
100000	NEW ENGLAND TEL&TEL	AO4 5/8 04/01/99	59,625			4,625	9.00	100,000	40,375	40.4	102.29	AAA
350000	NEW ENGLAND TEL&TEL	JJ4 1/2 07/01/03	199,500			15,750	8.89	350,000	150,500	43.0	102.95	AAA

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
B - MAJOR STOCK DIVIDEND PAID  
C - NON-CALLABLE  
D - INDIVIDUAL INVESTOR'S STOCK OF ANOTHER COMPANY

% of individual owner relative to all owners in same group. Total percentage of each group (cash, mortgages & notes, msc. fixed incomes, bonds, convertible securities, preferred, common stocks, and misc. equities) relative to total portfolio.

U - All income carry forward to next period. All income carry forward to next period. All income carry forward to next period.

Information contained herein is based on data obtained from public sources and is not intended to constitute an offer of securities. Any statements not qualified in nature constitute only current opinions, which are subject to change. Our Corporation or its Officers and Directors may have positions in securities referred to herein, and may, as principal or agent, buy and sell such securities.

H - PAYABLE IN CANADIAN FUNDS. LESS 10% TAX WITHHELD  
I - NON-CALLABLE  
J - INDICATED DIVIDEND AMOUNT RECEIVED PER SHARE IN CAPITAL GAINS

% of individual owner relative to all owners in same group. Total percentage of each group (cash, mortgages & notes, msc. fixed incomes, bonds, convertible securities, preferred, common stocks, and misc. equities) relative to total portfolio.

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U - DIVIDENDS OMITTED IN LATEST PERIOD  
V - PAID MAJOR STOCK DIVIDEND (10% OR UNDER)  
W - APPEARS TO BE MATURITY ALONE FOR ALL BONDS EXCEPT CONVERTIBLE

% of individual owner relative to all owners in same group. Total percentage of each group (cash, mortgages & notes, msc. fixed incomes, bonds, convertible securities, preferred, common stocks, and misc. equities) relative to total portfolio.

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QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	N. OF GROUP OR UNIT	INDICATED DIVIDEND	INCOME	YIELD OR DIVIDEND	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	PRO. MODE: 3 RECEIVED RATING
3000000	NEW ENGLAND TEL&TEL	71 7/8	2,156,250	-	-	183,750	8.87	3,000,000	843,750	28.1	104.53	AAA
1250000	NEW ENGLAND TEL&TEL	74	925,000	-	-	79,688	8.88	1,250,000	325,000	26.0	104.21	AAA
3000000	NEW ENGLAND TEL&TEL	82 1/4	2,467,500	-	-	221,250	9.13	2,985,000	517,500	17.3	105.89	AAA
3170000	NEW JERSEY BELL TEL	60 5/8	1,921,813	-	-	9,510	8.80	3,170,000	1,248,187	39.4	100.92	AAA
1500000	NEW JERSEY BELL TEL	87 3/8	1,310,625	-	-	116,250	8.93	1,450,620	139,995	9.7	100.67	AAA
7000000	NEW JERSEY BELL TEL	51 7/8	3,631,125	-	-	23,625	8.76	725,000	336,875	48.1	101.67	AAA
2250000	NY STATE ELEC & GAS	72 3/8	1,622,844	-	-	7,594	8.76	200,000	62,156	27.6	101.30	AAA
4400000	NY STATE ELEC & GAS	67 7/8	2,981,650	-	-	17,050	9.05	440,000	141,350	32.1	101.62	A
7500000	NY STATE ELEC & GAS	67 5/8	5,071,125	-	-	42,188	9.38	750,000	242,812	32.4	104.27	AAA
1000000	NEW YORK TELEPHONE	87 1/8	8,712,125	-	-	3,000	8.10	1,000,000	12,875	12.9	100.39	AAA
2600000	NEW YORK TELEPHONE	59 1/4	1,444,050	-	-	7,800	8.88	260,000	105,450	40.8	101.15	AAA
9500000	NEW YORK TELEPHONE	61 5/8	5,454,338	-	-	39,188	8.86	950,000	364,562	38.4	102.26	AAA
5000000	NEW YORK TELEPHONE	51	2,550,000	-	-	16,875	9.03	500,000	245,000	49.0	101.44	AAA
1000000	NEW YORK TELEPHONE	61	6,100,000	-	-	4,625	8.95	1,000,000	39,000	39.0	102.50	AAA
5000000	NEW YORK TELEPHONE	87 7/8	4,393,750	-	-	39,375	9.01	4,866,200	472,450	9.7	106.75	AAA
950000	NIAGARA MOHAWK POWER	55 5/8	5,564,250	-	-	42,500	8.58	1,000,000	443,750	44.4	102.99	AAA
1000000	NEW YORK TELEPHONE	58	3,770,000	-	-	30,063	8.98	650,000	273,000	42.0	103.25	AAA
8000000	NEW YORK TELEPHONE	58 1/2	4,680,000	-	-	39,000	9.00	800,000	332,000	41.5	103.45	AAA
5000000	NIAGARA MOHAWK POWER	88 1/2	4,424,500	-	-	16,875	7.37	500,000	57,500	11.5	103.50	A
5000000	NIAGARA MOHAWK POWER	84 1/8	4,204,500	-	-	17,500	7.75	500,000	79,375	15.4	100.66	A
950000	NIAGARA MOHAWK POWER	73 1/2	7,172,500	-	-	2,969	8.45	95,000	23,475	24.5	101.09	AAA
5000000	NIAGARA MOHAWK POWER	73 1/8	3,651,625	-	-	24,375	9.40	500,000	134,375	26.9	101.92	A
8150000	NIAGARA MOHAWK POWER	67 3/8	5,118,000	-	-	31,734	9.01	819,000	267,194	32.6	101.96	A
1000000	NIAGARA MOHAWK POWER	65	6,000,000	-	-	45,000	9.16	1,000,000	350,000	35.0	102.75	AAA
2000000	NIAGARA MOHAWK POWER	70	1,400,000	-	-	9,000	9.05	200,000	60,000	30.0	102.13	AAA
4850000	NIAGARA MOHAWK POWER	70 1/2	3,414,500	-	-	23,644	9.11	485,000	143,107	29.5	102.73	AAA
1500000	NIAGARA MOHAWK POWER	63 1/4	9,481,500	-	-	67,500	9.11	1,500,000	551,250	36.8	103.22	AAA
2020000	NORTHERN STATES PWR	95 3/4	1,924,650	-	-	5,555	7.63	202,000	9,342	4.6	100.18	AAA
2000000	NORTHERN STATES PWR	99 3/8	1,994,500	-	-	6,000	3.00	200,000	9,500	3.0	100.00	AAA
2500000	NORTHERN STATES PWR	86 3/4	2,161,875	-	-	8,125	7.32	250,000	33,125	13.3	100.58	AAA
3000000	NORTHERN STATES PWR	70 1/4	2,101,750	-	-	15,000	9.11	235,260	24,510	10.4	102.07	AAA
6000000	NORTHWEST BELL TEL	87	5,201,000	1.0	-	472,500	9.14	5,545,460	325,460	5.9	106.54	AAA
1200000	NORTHWEST BELL TEL	63 3/8	7,700,500	-	-	68,500	8.82	1,200,000	439,500	36.6	102.37	AAA
4000000	OHIO Edison CO	78 7/8	3,154,500	-	-	13,000	3.22	4,000,000	84,500	2.1	100.94	AAA
6000000	OHIO Edison CO	73 1/8	4,381,750	-	-	19,500	8.66	600,000	161,250	26.9	100.74	A
7000000	OHIO Edison CO	69 1/2	4,864,500	-	-	31,500	9.06	700,000	213,500	30.5	101.95	A
5000000	OHIO Edison CO	67 1/2	3,374,500	-	-	23,750	9.15	500,000	162,500	32.5	102.46	AAA
1000000	OHIO Edison CO	73	7,340,000	-	-	4,250	9.02	100,000	27,000	27.0	101.41	AAA
4850000	OKLAHOMA GAS & FLEC	72 7/8	3,344,444	-	-	15,763	8.66	485,000	131,556	27.1	100.96	AAA
4000000	OKLAHOMA GAS & FLEC	74 5/8	2,981,500	-	-	18,000	8.90	400,000	101,500	25.4	101.57	AAA
7430000	OKLAHOMA GAS & FLEC	67 1/4	4,961,661	-	-	28,791	9.04	743,000	243,332	32.7	101.69	AAA
6500000	OKLAHOMA GAS & FLEC	60 1/4	3,911,625	-	-	29,250	9.28	650,000	258,375	39.8	102.49	AAA
1000000	PACIFIC GAS & FLEC	88 1/2	8,845,000	-	-	2,875	8.47	1,000,000	11,500	11.5	100.50	AAA
7500000	PACIFIC GAS & FLEC	71 5/8	5,317,100	-	-	2,531	8.77	75,000	21,281	28.4	101.00	AAA
2270000	PACIFIC GAS & FLEC	71 7/8	1,631,150	-	-	11,350	9.20	227,000	63,844	28.1	102.06	AAA

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
 X - INCLUDES EXTRA DIVIDENDS PAID  
 \* % of individual issues eligible to all others in same group; total percentages of each group (bank, mortgages & notes, mtc. fixed income, bonds convertible, etc.) are shown in parentheses.  
 U.S. Treasury and Federal Agency issues are quoted in 32nds except U.S. Treasury bills, which are quoted in 1/32nds.  
 Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness. Any statements not factual in nature constitute only current opinions, which are subject to change. Our Corporation or its Officers and Director may have positions in securities referred to herein, and may, as principal or agent, buy and sell such securities.  
 H.C. - PAYABLE IN CANADIAN FUNDS, LESS 10% TAX WITHHELD.  
 M - DESCRIPTION INCLUDES AMOUNT RECEIVED PER SHARE IN CAPITAL GAINS.  
 \* Indicated dividend based on either actual dividends paid or declared for twelve preceding months at current indicated rate, unless otherwise noted.  
 \*\* U.S. Treasury bills, carry approximate bond equivalent yield.  
 \*\*\* Approx. yield to maturity shown for all bonds except convertible bonds, which carry current yield.  
 U - DIVIDENDS OMITTED IN LATEST PERIOD.  
 Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER).





QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP EQUITY	INDICATED DIVIDEND	INCOME	% OF CURRENT INCOME	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	MOODY'S RATING
1000000	PACIFIC GAS & ELFC	66 1/4	662,500	1		45,000	9.32	1,000,000	337,500	33.8	101.83	AA
525000	PACIFIC GAS & ELFC	64 3/4	337,969	1		24,781	9.31	525,000	187,031	35.6	102.26	AA
1950000	PACIFIC GAS & ELFC	60 1/2	1,179,475	2		85,313	9.21	1,950,000	770,250	39.5	102.42	AA
750000	PACIFIC GAS & ELFC	65 3/4	490,313	1		40,313	9.25	571,432	81,119	14.2	103.52	AA
1300000	PACIFIC GAS & ELFC	68 1/2	890,500	2		74,750	9.23	1,300,000	409,500	31.5	103.71	AA
900000	PAC NJ WEST BELL TEL	63 3/4	570,375	1		40,500	8.82	900,000	329,625	36.6	102.10	AAA
500000	PAC NO WEST BELL TEL	55 3/4	278,750	1		21,875	8.89	500,000	221,250	44.3	103.67	AAA
1600000	PAC NO WEST BELL TEL	56 5/8	906,000	2		72,000	8.89	1,600,000	694,000	43.4	104.00	AAA
300000	PACIFIC PWR & LT	67 3/4	263,250	1		12,375	7.66	300,000	36,750	12.3	100.64	BAA
200000	PACIFIC PWR & LT	79 7/8	159,750	1		7,500	7.45	200,000	40,250	20.1	101.02	BAA
120000	PACIFIC PWR & LT	69 7/8	69,875	1		4,250	9.15	100,000	30,125	30.1	101.72	BAA
120000	PACIFIC PWR & LT	69 7/8	69,875	1		4,250	9.15	100,000	30,125	30.1	101.72	BAA
250000	PACIFIC PWR & LT	62 7/8	157,175	1		7,812	7.22	250,000	92,812	37.1	100.69	AAA
500000	PACIFIC TEL & TEL	61 1/2	307,500	1		18,125	8.66	500,000	192,500	38.5	101.85	AAA
500000	PACIFIC TEL & TEL	71 1/2	894,625	2		55,125	8.85	941,126	46,526	4.9	101.44	AAA
1260000	PACIFIC TEL & TEL	69 3/8	555,000	1		41,000	9.58	800,000	245,000	30.6	101.75	AAA
800000	PACIFIC TEL & TEL	59	1,150,500	2		90,188	9.10	1,950,000	799,500	41.0	104.19	AAA
1950000	PACIFIC TEL & TEL	70 1/8	701,250	1		60,000	9.08	853,500	152,250	17.9	103.64	AAA
1000000	PACIFIC TEL & TEL	93	930,000	2		87,500	9.46	1,000,000	70,000	7.0	106.67	AAA
1000000	PACIFIC TEL & TEL	66 1/4	430,625	1		33,063	9.03	650,000	219,375	33.8	102.61	AAA
840000	PENN. POWER & LIGHT	69 3/8	582,750	1		47,250	9.18	840,000	257,250	30.6	104.91	AAA
2000000	PEOPLES GAS LT&COKE	78	1,560,000	3		125,000	9.08	2,000,000	440,000	22.0	104.23	AAA
175000	PHILA ELECTRIC CO	83 1/4	145,688	1		5,688	9.54	175,000	29,312	16.7	100.50	A
503000	PHILA ELECTRIC CO	69 1/2	349,585	1		15,719	9.12	503,000	153,615	30.5	101.20	A
800000	PHILA ELECTRIC CO	73 1/2	588,000	1		35,000	9.03	800,000	212,000	26.5	101.50	A
675000	PHILA ELECTRIC CO	66 5/8	416,406	1		23,433	9.03	625,000	208,594	33.4	101.60	A
600000	PHILA ELECTRIC CO	70 7/8	425,750	1		30,000	9.29	600,000	174,750	29.1	103.40	A
500000	PHILA ELECTRIC CO	61 1/8	305,625	1		22,500	9.29	500,000	194,375	38.9	103.10	A
250000	POTOMAC ELEC. POWER	66 3/4	166,875	1		8,125	8.95	250,000	83,125	33.3	100.91	A
250000	POTOMAC ELEC. POWER	71 1/8	167,813	1		8,688	9.06	250,000	82,187	32.9	101.43	A
1970000	PUBLIC SERVICE COLO	75	147,750	1		6,158	8.66	197,000	49,250	25.0	100.98	AA
700000	PUBLIC SERVICE COLO	73 1/2	514,500	1		30,625	8.85	700,000	185,500	26.5	101.38	AA
50000	PUBLIC SERVICE COLO	70 3/8	35,180	1		2,313	9.05	50,000	14,812	29.6	102.07	AA
1500000	PUBLIC SERVICE COLO	61 1/2	922,500	2		67,500	9.21	1,500,000	577,500	38.5	102.67	AA
600000	PUBLIC SERVICE IND	79 3/8	476,250	1		20,250	8.23	600,000	123,750	20.6	100.98	AA
420000	PUBLIC SERVICE IND	69 1/8	290,375	1		18,375	9.05	420,000	129,625	30.9	101.64	AA
300000	PUBLIC SERVICE OKLA	73 1/8	219,375	1		12,750	8.87	300,000	80,625	26.9	100.97	AA
300000	PUBLIC SERVICE OKLA	67 1/2	202,500	1		11,625	9.02	300,000	97,500	32.5	101.07	AA
1472000	PUBLIC SERVICE OKLA	60 3/8	888,720	2		60,720	9.19	1,472,000	583,280	39.6	101.39	AA
750000	PUBLIC SERVICE OKLA	65 1/2	491,250	1		39,375	9.30	750,000	258,750	34.5	103.26	AA
500000	PUBLIC SERV ELEC&GAS	92 1/2	462,500	1		13,750	7.43	500,000	37,500	7.5	100.17	AA
350000	PUBLIC SERV ELEC&GAS	74 5/8	264,913	1		15,531	8.94	350,000	90,081	25.4	101.73	AA
300000	PUBLIC SERV ELEC&GAS	75 3/8	226,125	1		14,625	8.94	300,000	73,875	24.6	101.88	AA
1100000	PUBLIC SERV ELEC&GAS	80 1/8	891,375	2		77,000	9.21	1,100,000	218,625	19.9	106.14	AA
1000000	ROCHESTER GAS & ELE	64 1/2	645,000	1		45,000	9.24	1,000,000	355,000	35.5	102.54	A

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 Y : STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
 Z : STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID



QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP OR PORT	INDICATED DIVIDEND	INCOME	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	WODD'S YIELD TO MATURITY
500000	SAN DIEGO GAS & ELE	81 1/2	407,500	.1		16,250	500,000	92,500	18.5	100.49	AAA
230000	SAN DIEGO GAS & ELE	71 1/2	165,000			7,540	235,000	66,990	28.9	100.63	AAA
300000	SAN DIEGO GAS & ELE	74 3/8	371,875	.1		24,375	500,000	128,125	25.6	101.63	AAA
300000	SAN DIEGO GAS & ELE	67	201,000			13,375	300,000	99,000	33.0	102.07	AAA
750000	SOUTH BELL TEL & TEL	65	48,750			2,146	75,000	26,250	35.0	100.94	AAA
142000	SOUTH BELL TEL & TEL	94 5/8	134,368			4,280	142,000	7,632	5.4	100.03	AAA
500000	SOUTH BELL TEL & TEL	61	305,000	.1		15,625	500,000	195,000	39.0	101.45	AAA
110000	SOUTH BELL TEL & TEL	84 1/4	92,675			4,400	110,000	17,325	15.8	100.25	AAA
400000	SOUTH BELL TEL & TEL	65 1/2	263,000			18,500	400,000	138,000	34.5	101.82	AAA
530000	SOUTH BELL TEL & TEL	61 1/4	271,625	.1		17,225	530,000	258,375	48.8	101.73	AAA
800000	SOUTH BELL TEL & TEL	65	520,000	.1		40,000	681,400	161,400	23.7	103.09	AAA
1500000	SOUTH BELL TEL & TEL	58 7/8	883,125	.1		35,625	1,500,000	616,875	41.1	102.22	AAA
500000	SOUTH BELL TEL & TEL	60 5/8	303,125	.1		23,750	500,000	176,375	35.4	103.38	AAA
100000	SOUTHERN CAL EDISON	86 3/8	86,375			4,675	89,900	13,625	13.6	101.02	AA
770000	SOUTHERN CAL EDISON	83 1/2	642,950	.1		35,613	770,000	127,050	16.5	101.20	AA
750000	SOUTHERN CAL EDISON	76 7/8	575,563	.1		33,750	750,000	173,437	23.1	101.66	AA
630000	SOUTHERN CAL EDISON	71 1/8	443,000			26,715	630,000	181,912	29.4	101.74	AA
1000000	SOUTHERN CAL EDISON	70 5/8	706,250	.1		43,750	900,000	293,750	32.9	101.90	AA
300000	SOUTHERN CAL EDISON	67	201,000			13,125	300,000	99,000	33.0	101.83	AA
325000	SOUTHERN CAL GAS	91 3/8	293,969	.1		12,594	325,000	28,031	8.6	100.53	AA
500000	SOUTHERN CAL GAS	69 1/2	347,500	.1		23,125	500,000	152,500	30.5	102.98	AA
1500000	SOUTHERN CAL GAS	75 1/2	1,132,500	.2		88,125	1,500,000	367,500	24.5	104.37	AA
445000	SOUTHERN CAL GAS	80 1/2	910,744	.2		83,613	920,000	34,236	3.6	106.27	AA
336000	SOUTH IND GAS & ELE	77 1/4	336,250	.1		15,625	500,000	113,750	22.8	100.95	AA
250000	SOUTH IND GAS & ELE	67 5/8	186,063			10,938	250,000	65,937	26.4	101.94	AA
500000	SOUTH IND GAS & ELE	62	310,000	.1		23,750	500,000	190,000	38.0	103.73	AA
540000	SOUTH IND GAS & ELE	72	388,800	.1		32,400	540,000	151,200	28.0	104.60	AA
600000	SOUTH IND GAS & ELE	72 1/8	446,750	.1		38,250	600,000	155,250	25.9	105.56	AA
160000	SN NEW ENGLAND TEL	73 1/8	117,000			5,700	160,000	43,000	26.9	103.50	AA
360000	SN NEW ENGLAND TEL	64 1/4	235,155			15,958	360,000	130,845	35.8	102.60	AA
1100000	SN NEW ENGLAND TEL	54 3/4	602,250	.1		48,125	1,100,000	497,750	45.3	102.89	AA
500000	SOUTHWEST BELL TEL	85	425,000			38,125	905,000	453,340	6.3	106.11	AAA
2300000	SOUTHWEST BELL TEL	65 3/4	1,512,250	.3		123,625	2,300,000	787,750	34.3	104.07	AAA
1000000	SOUTHWEST BELL TEL	67 7/8	673,750	.1		47,500	1,000,000	321,250	32.1	101.90	AAA
900000	SOUTHWEST BELL TEL	63 5/8	572,625	.1		41,625	900,000	327,375	36.4	105.15	AAA
1250000	SOUTHWEST BELL TEL	83	1,037,500	.2		92,168	1,092,477	54,977	5.0	105.88	AAA
600000	SOUTHWEST BELL TEL	60 1/2	363,000			27,000	600,000	237,000	39.5	102.63	AAA
974000	SOUTHWEST PUB SERV	66 1/4	645,275	.1		43,830	974,000	328,775	33.8	101.87	AA
700000	SOUTHWEST PUB SERV	61 3/4	432,250			31,500	700,000	267,750	38.3	102.37	AA
500000	SOUTHWEST PUB SERV	69 1/8	345,625	.1		28,500	500,000	156,375	30.9	103.54	AA
495000	TAMPA ELECTRIC CO	64 1/8	365,063	.1		20,419	495,000	129,937	26.2	101.40	AA
575000	TAMPA ELECTRIC CO	69 5/8	400,364			24,438	575,000	174,656	30.4	102.40	AA
1500000	TAMPA ELECTRIC CO	63 1/4	948,750	.2		67,500	1,500,000	551,250	36.8	103.10	AA
250000	TEXAS FLEC SERV	90 3/8	225,938			8,438	250,000	24,062	9.6	100.27	AAA
600000	TEXAS FLEC SERV	71	426,000	.1		19,500	600,000	174,000	29.0	101.19	AAA

A : STOCK SPLIT OF MAJOR STOCK DIVIDEND PAID

B : PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY

X : INCLUDES EXTRA DIVIDENDS PAID

\* % of individual issues relate to all others in same group. Total percentage of

\*\* Indicated dividend based on other actual dividends paid or declared for

\*\*\* Approx. yield to maturity shown for all bonds except convertible

\*\*\*\* U.S. Treasury bill, carry approximate bond equivalent yield

\*\*\*\*\* All totals carry current yield

\*\*\*\*\* However, such information has not been verified by us, and we do

not warrant its accuracy. Our Corporation or its Officers and directors may have positions in

securities referred to herein, and may, as principal or agent, buy and sell such securities.

H : PAYABLE IN CANADIAN FUNDS, LESS 10% TAX WITHHELD

NC : NON-CALLABLE

M : DESCRIPTION INCLUDES AMOUNT RECEIVED PER SHARE IN CAPITAL GAINS

\*\*\* Indicated dividend based on other actual dividends paid or declared for

\*\*\*\* U.S. Treasury bill, carry approximate bond equivalent yield

\*\*\*\*\* All totals carry current yield

\*\*\*\*\* However, such information has not been verified by us, and we do

not warrant its accuracy. Our Corporation or its Officers and directors may have positions in

securities referred to herein, and may, as principal or agent, buy and sell such securities.

U : DIVIDENDS OMITTED IN LATEST PERIOD

Y : SPLIT PENDING

Z : PAID SMALL STOCK DIVIDEND (10% OR UNDER)









QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP OR PORT	INDICATED DIVIDEND	INCOME	% OF INCOME TO SHAREHOLDERS	COST VALUE	LINEARIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	BOOK VALUE
35000	EMPORIUM CAPWELL	MN5 3/8 05/01/79	33,600			1,881	11.10	35,000	1,400	4.0		
35000	EMPORIUM CAPWELL	MN5 3/8 05/01/78	32,813			1,881	9.68	35,000	2,187	6.2		
35000	EMPORIUM CAPWELL	MN5 3/8 05/01/78	31,500			1,881	9.33	35,000	3,500	10.0		
35000	EMPORIUM CAPWELL	MN5 3/8 05/01/78	30,800			1,881	9.30	35,000	4,200	12.0		
35000	EMPORIUM CAPWELL	MN5 3/8 05/01/78	29,921			1,881	9.28	35,000	5,075	14.5		
775000	TEXACO	J04 1/2 12/01/88	542,507			34,875	8.78	775,000	232,500	30.0		
593426	UNION CARBIDE	M54 4/5 12/01/79	367,924			26,704	8.72	593,426	225,502	38.0		
595000	ALUM CO OF AMER	M54 2/5 12/01/78	416,500			26,031	9.22	703,000	286,500	40.9		
1000000	ARIZONA PUBLIC SVC	J0 4.45 06/01/72	640,000			44,500	9.13	1,000,000	365,000	36.0		
1500000	ARIZONA PUBLIC SVC	M5 6.25 09/01/77	1,125,000			93,750	9.04	1,500,000	370,000	25.0		
250000	ATLANTIC CITY ELEC	M53 1/4 03/01/78	101,250			8,125	9.55	250,000	48,750	19.5		
1000000	TELE TEL OF CANADA	M5 4.85 09/01/79	640,000			48,500	9.07	1,000,000	360,000	36.0		
3000000	BELL TEL OF CANADA	J0 6.60 12/01/77	2,910,000			158,000	9.18	3,000,000	690,000	23.0		
2000000	BRITISH COL HYDRO	JJ9 5/8 07/15/79	2,140,000			152,500	8.83	2,000,000	140,000	7.0		
500000	CALIF PAC UTIL	A0 4.65 04/01/79	315,000			23,250	9.20	500,000	185,000	37.0		
950000	CALIF WATER SVC	M56 3/4 11/01/77	760,000			64,125	8.56	950,000	190,000	20.0		
900000	CENTRAL TEL OF ILL	A76 3/8 10/01/72	711,000			57,375	9.06	900,000	189,000	21.0		
3000000	CHANNELVIEW LEASING	JJ9 1/4 07/15/79	3,120,000			277,500	8.79	3,000,000	120,000	4.0		
795700	CHI PIPELINE	J06 3/4 12/01/79	557,503			47,634	9.04	705,700	148,197	21.0		
327000	CITIZENS UTILITIES	J0 5.50 12/01/79	241,930			17,585	9.08	327,000	85,020	26.0		
720000	COLUMBIAN PIPELINE	J0 4.74 06/01/79	491,640			34,271	9.31	723,000	231,360	32.0		
1000000	CONN LIGHT & POWER	M54 3/8 09/01/73	615,000			43,750	9.15	1,000,000	395,000	39.5		
1000000	CONSOLIDATED EDISON	A0 4.60 10/01/79	590,000			46,000	9.72	1,000,000	410,000	41.0		
1000000	DUKE POWER CO	F44 1/2 02/01/79	615,000			45,000	9.08	1,000,000	385,000	38.5		
60000	GFISMAR INDUSTRIES	J0 4.60 12/01/78	494,650			2,760	9.63	60,000	10,350	17.3		
1000000	GENERAL ELEC CRE	M5 4.50 03/01/78	795,000			45,000	9.37	1,000,000	205,000	20.5		
1000000	GENL TEL OHIO	M56 1/2 09/01/77	770,000			65,000	9.07	1,000,000	230,000	23.0		
1400000	GENERAL TEL NO WEST	M5 6.25 09/01/79	1,050,000			87,500	9.20	1,400,000	350,000	25.0		
1000000	HAWAIIAN ELECTRIC	JJ 4.45 07/01/73	630,000			44,500	9.06	1,000,000	370,000	37.0		
1500000	HAWAIIAN ELECTRIC	F44 4/5 02/01/79	922,500			68,250	9.19	1,500,000	577,500	38.5		
1000000	INDIANAPOLIS WATER	F45 5/8 08/01/77	700,000			56,250	8.57	1,000,000	300,000	30.0		
760000	INGERSOLL-RAND CO	J0 4.75 01/01/79	524,400			36,100	8.99	760,000	235,600	31.0		
1567000	KOCH INC	MN 91 05/01/70	1,967,000			177,030	9.00	1,967,000				
85000	MAMMOCH INC	J04 5/8 12/01/78	66,307			3,931	9.38	85,000	18,700	22.0		
500000	NORTH AMER CAR	MN5 3/4 05/01/77	400,000			28,750	9.16	500,000	100,000	20.0		
7800027	REPUBLIC NATL CORP	A04 1/2 10/01/78	530,418			35,101	9.20	776,691	246,273	31.7		
1000000	ST LOUIS WATER	J0 4.65 12/01/79	635,000			46,500	8.99	1,000,000	365,000	36.5		
336000	SPELL FURNING	J0 4.50 06/01/78	282,240			15,120	9.27	331,252	49,012	14.8		
525000	SPELL OIL CO	A04 1/2 04/15/79	364,875			23,625	8.77	525,000	160,125	30.5		
1730744	TRAILER TRAIN ETC	J08 3/4 01/15/79	1,713,438			151,440	8.90	1,730,744	17,308	1.0		
2000000	TRAILER TRAIN EQ TR	J01 03 12/15/79	2,120,000			200,000	9.16	2,000,000	120,000	6.0		
1000000	UNITED ILLUMINATING	JJ4 7/8 07/01/79	690,000			48,750	9.04	1,000,000	310,000	31.0		
1000000	WESTERN ELECTRIC	J0 5.50 06/01/77	720,000			55,000	8.53	1,000,000	280,000	28.0		
3000000	WELLS FARGO & CO	MN8 1/8 11/01/79	2,850,000			243,750	8.66	3,000,000	150,000	5.0		
	TOTAL PRIVATE PLACEMENTS		34,556,454	6.6		2,787,587	8.06	43,026,220	8,429,766	19.6		

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
 X - INCLUDES EXTRA DIVIDENDS PAID  
 H - PAYABLE IN CANADIAN FUNDS, LESS 10% TAX WITHHELD.  
 NC - NON-CUMULATIVE  
 NCSP - NON-CUMULATIVE STOCK PARTICIPATION  
 \* % of individual issues relate to all others in same group: total percentage of each group (cash, mortgage & notes, misc, fixed income, bonds, convertible securities, preferred, common stock, and misc. equities) relate to total portfolio.  
 U - UNDERLYING  
 Information contained herein is based on data obtained from recognized statistical services, market reports or communications, or other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness. Any statement, non-factual in nature, constitute only current opinions, which are subject to change. Our Corporation or its Officers and Directors may have positions in securities referred to herein, and may, as principal or agent, buy and sell such securities.

DIVIDENDS OMITTED IN LATEST PERIOD:  
 U - DIVIDENDS OMITTED IN LATEST PERIOD  
 Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 \*\*\* Approx. yield to maturity shown for all bonds except convertible bonds, which carry current yield.  
 \*\*\* U.S. Treasury bills, carry approximate bond equivalent yield.  
 \*\*\* Dividends are not shown for common stock of companies in which we do not have a significant position.





QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF PORTFOLIO	INDICATED DIVIDEND	INCOME	YIELD TO MATURITY	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	MOODY'S RATING
	TOTAL CORPORATE BONDS		90,869,211	74.2	30,852,425	7.89		78,581,612	16.7			
	TOTAL		26,822,261		42,409,038	8.05		69,450,823				
	CONVERTIBLE SECURITIES											
	CONVERTIBLE BONDS											
1500000	CENCO INC CV MN 5 11/01/96	53	795,000	11.0	75,000	9.43		1,608,125	813,125	50.6	103.75	CAA
	CV \$23.25 43.01 TO MAT											
1260000	CENCO INC CV MS 3/4 09/01/97	48 1/2	611,100	8.5	55,650	9.75		1,260,000	648,900	51.5	103.75	CAA
	CV \$32.75 30.53 TO MAT											
4000000	FORD MOTOR CREDIT CV J44 7/8 07/15/98	84	3,360,000	46.6	195,000	5.80		4,000,000	640,000	16.0	103.85	
	CV \$69.30 14.43 SHR TO 7/15/98											
	TOTAL CONVERTIBLE BONDS		4,766,100	66.1	329,850	6.97		8,868,125	2,102,025	30.6		
	CONVERTIBLE PREFERRED											
60000	CROCKER NATL CORP 3 CV	40 3/4	2,445,000	33.9	3.00	180,000	7.36	3,000,000	555,000	18.5		
	CV INTO 1.5 SH COMMON											
	TOTAL CONVERTIBLE PREFERRED		2,445,000	33.9	180,000	7.36		3,000,000	555,000	18.5		
	TOTAL CONVERTIBLE SECURITIES		7,211,100		509,850	7.07		8,868,125	2,657,025	26.9		
	COMMON STOCKS											
	AEROSPACE											
120000	PENDIX CORP	37 3/8	4,485,000	3.5	2.28	273,600	6.10	5,133,462	648,462	12.6		
	TOTAL AEROSPACE		4,485,000	3.5	273,600	6.10		5,133,462	648,462	12.6		

A - STOCK UNIT OR MAJOR STOCK DIVIDEND PAID  
 R - PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY  
 X - INCLUDES EXTRA DIVIDENDS PAID

NC - NON-CALLABLE  
 M - DESCRIPTION INCLUDES AMOUNT RECEIVED PER SHARE IN CAPITAL GAINS  
 \*\* INDICATED DIVIDEND BASED ON EITHER ACTUAL DIVIDEND PAID OR DECLARED FOR  
 % OF INDIVIDUAL ISSUES RELATE TO ALL OTHERS IN SOME GROUPS, TOTAL PERCENTAGES OF  
 SECURITIES, PREFERRED, COMMON STOCKS, AND MISCELLANEOUS RELATE TO TOTAL PORTFOLIO. \*\*\*\* NON-CALLABLE OR NON-REDEMPTIBLE UNIT YEAR BASIS.  
 U.S. Treasury and Federal Agency issues are quoted in 32nds except U.S. Treasury bills, which are discount price per \$100, 360 day basis.  
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U - DIVIDENDS OMITTED IN LATEST PERIOD

Y - SPAT FENDING  
 Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 \*\*\* Approx. yield to maturity shown for all bonds except convertible  
 bonds which carry current yield.  
 \*\*\*\* S. Treasury bills are approximate bond equivalent yield.  
 \*\*\* All totals carry current yield













QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF PORTFOLIO	INDICATED DIVIDEND	INCOME	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	MOODY'S RATING
	INSURANCE - LIFE										
75000	LINCOLN NATL CORP IND	41 1/4	3,093,750	2.4	2.40	180,000	2,937,000	156,750	5.3		
20000	MARSH & MC LENNAN COMP	63 1/2	1,270,000	1.0	2.80	56,000	1,059,446	210,554	19.9		
	FOWLY MARLENNAN										
	TOTAL INSURANCE - LIFE		4,363,750	3.4		236,000	3,996,446	367,304	9.2		
	LUMBER AND PLYWOOD										
113466	GEORGIA PACIFIC CORP	25 7/8	2,935,933	2.3	1.00	113,466	3,361,558	425,625	12.7		
	TOTAL LUMBER AND PLYWOOD		2,935,933	2.3		113,466	3,361,558	425,625	12.7		
	MACHINERY										
35000	INGERSOLL RAND CO	55 3/8	1,938,125	1.5	3.00	105,000	3,101,442	1,163,317	37.5		
	TOTAL MACHINERY		1,938,125	1.5		105,000	3,101,442	1,163,317	37.5		
	OFFICE EQUIPMENT AND EDP										
30000	INTL BUSINESS MACH	257 1/4	7,717,500	6.1	11.52	345,600	7,581,595	135,905	1.8		
	TOTAL OFFICE EQUIPMENT AND EDP		7,717,500	6.1		345,600	7,581,595	135,905	1.8		
	OILS - INTERNATIONAL										
20000	GETTY OIL CO	142 1/4	2,845,000	2.2	4.80Y	96,000	3,456,100	611,100	17.7		
	TOTAL OILS - INTERNATIONAL		2,845,000	2.2		96,000	3,456,100	611,100	17.7		
	OILS - DOMESTIC										
100000	ATLANTIC RICHFIELD	50 1/2	5,050,000	4.0	2.40	240,000	5,724,757	674,757	11.8		
150000	PHILLIPS PETROLEUM	32 1/8	4,818,750	3.8	1.20	180,000	4,533,025	285,725	6.3		
	TOTAL OILS - DOMESTIC		9,868,750	7.8		420,000	10,257,782	389,032	3.8		

A - STOCK SPLIT OR MAJOR STOCK DIVIDEND PAID  
 R - PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY  
 X - INCLUDES EXTRA DIVIDENDS PAID  
 \* % of individual issues relative to all others in long group listed percentages of total portfolio  
 \*\* Indicated dividend based on either actual dividends paid or declared for common stock, preferred stock, and misc. equities relative to total portfolio.  
 \*\*\* U. S. Treasury and Federal Agency issues are quoted in 32nd except U. S. Treasury bills, which are quoted in 30th, 360 day basis.  
 \*\*\*\* Non-Collateral or Non-Refundable Unit Year Noted.  
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 H - PAYABLE IN CANADIAN FUNDS LESS 10% TAX WITHHELD  
 NC - NON-CALLABLE  
 M - DESCRIPTION INCLUDES AMOUNT RECEIVED PER SHARE IN CAPITAL GAINS.  
 Y - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 U - DIVIDENDS OMITTED IN LATEST PERIOD  
 Y - SPLIT PENDING  
 \*\* Approx. yield to maturity shown for all bonds except convertible securities, preferred stock, and misc. equities.  
 \*\*\* U. S. Treasury bills, carry approximate bond equivalent yield.  
 \*\*\*\* All table's carry current yield.  
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QUANTITY	DESCRIPTION	CURRENT PRICE	CURRENT VALUE	% OF GROUP SUBJECT	INDICATED DIVIDEND	INCOME	TAX ADJUSTMENT	COST VALUE	UNREALIZED GAIN/LOSS	% GAIN/LOSS	CALL PRICE	WOODY RECD TO
900000	ALSO HOLDS FRANKLIN NB 4 3/4 88 COST VALUE \$1.00											

A - STOCK PRICED BY MAJOR STOCK EXCHANGES PAID  
 R - PAID SMALL DIVIDEND IN STOCK OF ANOTHER COMPANY  
 X - INCLUDES EXTRA DIVIDENDS PAID  
 \* % of individual issues relate to all others in some groups total percentages of  
 securities, preferred, common stocks and misc (agrees) relate to total portfolio. \*\*\*\* Non-callable of Non-callable Unit Year based.  
 U.S. Treasury and Federal Agency issues are quoted in 32nds except U.S. Treasury bills, which are discount price per \$100, 360 day basis.  
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 U - DIVIDENDS OMITTED IN LATEST PERIOD  
 Y - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 Z - PAID SMALL STOCK DIVIDEND (10% OR UNDER)  
 \*\*\* Approx. yield to maturity from for all bonds except convertible bonds which carry current yield.  
 \*\*\*\* All taxes carry current yield.  
 \*\*\*\*\* All taxes carry current yield.



GROUP	COST	% OF TOTAL	MARKET VALUE	% OF TOTAL	GAIN/LOSS	INCOME	YIELD @ COST
NOTES	57,609,000		57,609,000			4,300,011	7.5
MISCELLANEOUS FIXED INCOME BONDS	20,000,000		20,000,000				
U.S. TSY AND FEDL. AGENCIES	108,134,435		101,912,664		6,222,271-	8,524,308	7.9
INTERNATIONAL AGENCIES	11,349,482		10,251,500		1,097,982-	853,813	7.5
FOREIGN BONDS	26,387,813		23,788,886		2,598,927-	2,178,492	8.3
CORPORATE BONDS	469,450,823		390,869,211		78,581,612-	30,852,425	6.6
TOTAL BONDS	615,323,053		526,822,261			42,409,038	6.8
CONVERTIBLE SECURITIES	9,868,125		7,211,100		2,657,025-	505,850	5.2
COMMON STOCKS	149,065,244		126,742,093		22,323,151-	6,036,102	4.0
TOTAL PORTFOLIO	851,805,422		113,078,967 738,384,454	100 %	113,480,448-	53,255,001	

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TYPE	COST	% OF COST	MARKET VALUE	GAIN/LOSS	INCOME	YIELD @ COST
NOTES	57,609,000		57,609,000		4,300,011	7.5
MISCELLANEOUS FIXED INCOME	20,000,000		20,000,000			
U.S. TSY AND FEDL. AGENCIES	8,134,935		1,912,664	6,222,271-	8,524,308	7.9
INTERNATIONAL AGENCIES	11,349,482		10,251,500	1,097,982-	853,813	7.5
CANADIAN GOVT. BONDS	4,987,500		4,893,750	93,750-	431,250	8.6
CANADIAN BONDS	21,400,313		18,895,136	2,505,177-	1,747,242	8.2
CORPORATE BONDS						
BANKING AND FINANCE	171,643		95,206,156	4,965,487-	7,971,326	8.0
INDUSTRIALS	69,383,483		65,767,033	3,616,450-	5,756,434	8.3
RAILROADS	4,823,500		4,380,985	442,515-	392,313	8.1
RAILROAD EQUIP. TRUST CTFS.	24,913,342		23,954,670	958,672-	1,900,278	7.6
PUBLIC UTILITIES	27,132,635		66,963,913	60,168,722-	12,044,087	5.3
PRIVATE PLACEMENTS	43,026,220		34,596,454	8,429,766-	2,787,987	6.5
TOTAL CORPORATE BONDS	69,450,823		90,869,211	78,581,612-	30,852,425	6.6
CONVERTIBLE BONDS	6,868,125		4,766,100	2,102,025-	329,850	4.8
TOTAL BONDS			9,197,361	90,602,817-	47,038,899	

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MOODY'S RATINGS	AMOUNT	%
U. S. GOVERNMENT		
AAA	48,485,000	
INT'L. AGENCIES		
AAA	11,350,000	
CORPORATE		
AAA	29,843,000	
AA	56,365,000	
A	84,335,000	
BAA	25,046,000	
CAA	2,760,000	
FOREIGN BONDS		
AAA	6,350,000	
AA	14,570,000	
TOTAL RATED BONDS	281,104,000	
NON-RATED BY MOODY'S	AMOUNT	%
BANKING & FINANCE	27,000,000	
FEDERAL AGENCIES	57,726,986	
FOREIGN BONDS	3,751,000	
MISC. FIXED INCOMES	20,000,000	
NOTES	57,609,000	
PRIVATE PLACEMENTS	42,927,897	
OTHER NON-RATED	19,043,342	
TOTAL NON-RATED BONDS	223,058,225	
GRAND TOTAL	509,162,225	100 %

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## BONDS MATURING

AMOUNT

%

1978	61,623,342	
1979 - 1983	67,427,000	
1984 - 1988	74,893,000	
1989 - 1993	90,647,771	
1994 - 1998	13,504,126	
1999 - 2003	23,613,901	
2004 - 2008	34,880,085	
2009 - 2013	12,773,000	
2014 & OVER	10,000,000	
TOTAL	389,162,225	100 %

THE ABOVE TABLE APPLIES TO BONDS CARRYING MATURITY DATE ONLY

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# NON-CALLABLE OR NON-REFUNDABLE DESCRIPTION

AMOUNT

%

1 - 5 YEARS	42,105,000	11.0
5 - 10 YEARS	86,310,000	22.6
10 - 20 YEARS	14,500,000	3.8
TO MATURITY - CORPORATES	17,250,000	4.5
TO MATURITY - FEDL. AGENCIES	32,382,000	8.5
U. S. GOVERNMENT AAA	45,330,000	11.9
TO MATURITY - FOREIGN	5,000,000	1.3
TOTAL	242,877,000	63.6

## CALLABLE AT PRESENT

DESCRIPTION

AMOUNT

%

FOR SINKING FUND AT 100	5,681,000	1.5
AT VARIOUS PRICES	33,437,000	34.9
TOTAL	39,118,000	36.4
GRAND TOTAL	281,995,000	100 %

THE ABOVE TABLE APPLIES TO MARKETABLE BONDS ONLY

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RANK	INDUSTRY	NUMBER OF COMPANIES	COST VALUE	MKT VALUE	% TOTAL MKT VALUE	GAIN/LOSS	% GAIN/LOSS
1	RETAIL TRADE	5	13,422,748	11,717,250	9.2	1,705,498-	12.7-
2	OILS - DOMESTIC	2	10,257,782	9,868,750	7.8	389,032-	3.7-
3	UTILITIES - ELECTRIC	5	10,044,317	8,313,125	6.6	1,731,192-	17.2-
4	OFFICE EQUIPMENT AND EDP	1	7,581,595	7,717,500	6.1	135,905	1.7
5	UTILITIES - COMMUNICATIONS	1	4,701,567	6,217,061	4.9	1,515,494	32.2
6	BANKS	2	6,938,660	5,877,500	4.6	961,160-	14.0-
7	FINANCE COMPANIES	2	7,231,250	5,590,625	4.4	1,640,625-	22.6-
8	OIL EQUIPMENT	1	4,741,809	4,809,375	3.8	67,566	1.4
9	AFROSPACE	1	5,133,462	4,485,000	3.5	648,462-	12.6-
10	FARM EQUIPMENT AND TRUCKS	1	4,374,229	4,410,000	3.5	35,771	.8
11	INSURANCE - LIFE	2	3,996,446	4,363,750	3.4	367,304	9.1
12	BROADCASTING	1	4,662,363	4,200,000	3.3	662,363-	13.6-
13	COSMETICS AND TOILETRIES	2	5,713,658	4,062,400	3.2	1,651,258-	28.9-
14	SERVICE INDUSTRIES	1	3,498,263	4,038,500	3.2	540,237	15.4
15	SUPERMARKETS	1	3,165,636	3,611,423	2.8	445,787	14.0
16	SOFT DRINKS	1	3,648,825	3,570,000	2.8	278,825-	7.2-
17	DRUGS	2	4,297,367	3,440,625	2.7	856,742-	19.9-
18	LUMBER AND PLYWOOD	1	3,361,558	2,935,933	2.3	425,625-	12.6-
19	CHEMICALS	1	3,443,453	2,850,000	2.2	593,453-	17.2-
20	OILS - INTERNATIONAL	1	3,456,100	2,845,000	2.2	611,100-	17.6-
21	MISCELLANEOUS	1	2,726,762	2,775,000	2.2	48,238	1.7
22	AIRLINES	1	4,564,096	2,739,395	2.2	1,824,701-	39.9-
23	PAPER	1	4,424,502	2,737,500	2.2	1,687,002-	38.1-
24	ELECTRICAL EQUIPMENT	1	2,605,891	2,525,000	2.0	80,891-	3.1-
25	STEEL AND IRON ORE	1	3,458,264	1,979,250	1.6	1,477,014-	42.7-
26	ELECTRONICS	1	2,506,200	1,978,125	1.6	528,075-	21.0-
27	MACHINERY	1	3,101,442	1,938,125	1.5	1,163,317-	37.5-
28	CONSTRUCTION	2	4,177,946	1,795,000	1.4	2,382,946-	57.0-
29	ALUMINUM	1	1,772,911	1,546,350	1.2	226,561-	12.7-
30	SPORTING GOODS	1	2,329,993	907,500	.7	1,422,493-	61.0-
31	APPAREL	1	2,047,752	528,281	.4	1,519,471-	74.2-
32	PHOTOGRAPHY AND OPTICAL	1	1,380,397	368,750	.3	1,011,647-	73.2-
	TOTAL	47	49,065,244	26,742,093	100 %	22,323,151-	14.9-

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RANK	ISSUE	NUMBER OF SHARES	PRICE	COST VALUE	% TOTAL COST VALUE	DIV.	INCOME	YIELD COST	UNREALIZED GAIN/LOSS
1	INTL BUSINESS MACH	30,000	257 1/4	7,591,595	5.1	11.52	345,600	4.6	135,905
2	ATLANTIC RICHFIELD	100,000	50 1/2	5,724,757	3.8	2.40	240,000	4.2	674,757-
3	BENDIX CORP	120,000	37 3/8	5,133,462	3.4	2.28	273,600	5.3	648,462-
4	BANKAMERICA CORP	200,000	22 3/8	4,875,000	3.3	.94	188,000	3.9	400,000-
5	CBS INC	80,000	52 1/2	4,862,363	3.3	2.40	182,000	3.9	662,363-
6	HALLIBURTON CO	75,000	64 1/8	4,741,809	3.2	1.40	105,000	2.2	67,566
7	AMERICAN TEL & TEL	103,834	59 7/8	4,701,567	3.2	4.60	477,636	10.2	1,515,494
8	AMERICAN AIRLINES	233,140	11 3/4	4,564,096	3.1	.10	23,314	.5	1,824,701-
9	PHILLIPS PETROLEUM	150,000	32 1/8	4,533,025	3.0	1.20	180,000	4.0	285,725
10	ST REGIS PAPER	100,000	27 3/8	4,424,502	3.0	1.72	172,000	3.9	1,687,002-
TOTAL				51,142,176	34.3		2,197,150	4.3	3,892,595-

DE  
63  
PEP  
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RANK	ISSUE	NUMBER OF SHARES	COST VALUE	MKT VALUE	UNREALIZED GAIN	% APPRECIATION	MKT PRICE
1	AMERICAN TEL & TEL	103,834	4,701,567	6,217,061	1,515,494	32.2	59 7/8
2	WARNER COMMUNICATIONS INC	98,500	3,493,263	4,038,500	540,237	15.4	41
3	LUCKY STORES INC	232,995	3,165,636	3,611,423	445,787	14.1	15 1/2
4	MAY DEPT STORES	150,000	3,224,132	3,656,250	432,118	13.4	24 3/8
5	PHILLIPS PETROLEUM	150,000	4,533,025	4,818,750	285,725	6.3	32 1/8
6	MARSH & MC LENNAN COMP	20,000	1,059,446	1,270,000	210,554	19.9	63 1/2
7	LINCOLN NATL CORP IND	75,000	2,937,000	3,093,750	156,750	5.3	41 1/4
8	INTL BUSINESS MACH	30,000	7,581,595	7,717,500	135,905	1.8	257 1/4
9	HALLIBURTON CO	75,000	4,741,809	4,809,375	67,566	1.4	64 1/8
10	LEGGETT & PLATT INC	150,000	2,726,762	2,775,000	48,238	1.8	18 1/2
TOTAL			38,169,235	42,007,609	3,838,374	10.0	

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4	LUCKY STORES INC	232,995	3,165,636	3,611,423	445,787	14.1	15 1/2
5	WAY DEPT STORES	150,000	3,224,132	3,656,250	432,118	13.4	24 3/8
6	PHILLIPS PETROLEUM	150,000	4,533,025	4,818,750	285,725	6.3	32 1/8
7	LINCOLN NATL CORP IND	75,000	2,937,000	3,093,750	156,750	5.3	41 1/4
8	LEGGETT & PLATT INC	150,000	2,726,762	2,775,000	48,238	1.8	18 1/2
9	INTL BUSINESS MACH	30,000	7,581,595	7,717,500	135,905	1.8	257 1/4
10	HALL IBURTON CO	75,000	4,741,809	4,809,375	67,566	1.4	64 1/8
TOTAL			38,169,235	42,007,609	3,838,374	10.0	

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19 CITY AND COUNTY OF SAN FRANCISCO

# EMPLOYEES' RETIREMENT SYSTEM

≡ ANNUAL REPORT

— SAN FRANCISCO CITY AND COUNTY

EMPLOYEES' RETIREMENT SYSTEM

≡ 1978 - 1979



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SAN FRANCISCO CITY AND COUNTY  
EMPLOYEES' RETIREMENT SYSTEM

1978 - 1979



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## HISTORY OF THE RETIREMENT SYSTEM

### - A Brief Overview -

On April 1, 1922, the Board of Supervisors enacted legislation establishing the San Francisco City Employees Retirement System. The system, for all City employees, except Police and Fire uniformed personnel, pioneered the first public employer-employee retirement contribution plan west of New York City. Approximately 3700 employees comprised the plan membership.

In October 1925, school district certificated personnel, by amendments to the City charter and the State Education Code, became members of the system.

In 1932, the charter experienced a major overhaul, resulting in a provision continuing in force and creating, with certain modifications, the Retirement System as we know it today. In addition to succeeding the old Board of Administration, the newly-created Retirement Board inherited the functions and responsibilities of the Board of Trustees of the Police Relief and Pension Fund (founded April 1, 1878) and the Board of Fire Pension Fund Commissioners (founded March 26, 1895).

### MAJOR RETIREMENT SYSTEM CHARTER CHANGES

#### - 1932 To Present Date -

1932 - New Charter. No major benefit changes. Continuation of the "Matching Plan" formula, with 70 years as mandatory retirement age. Workers Compensation Division created, with the City becoming permissably uninsured.

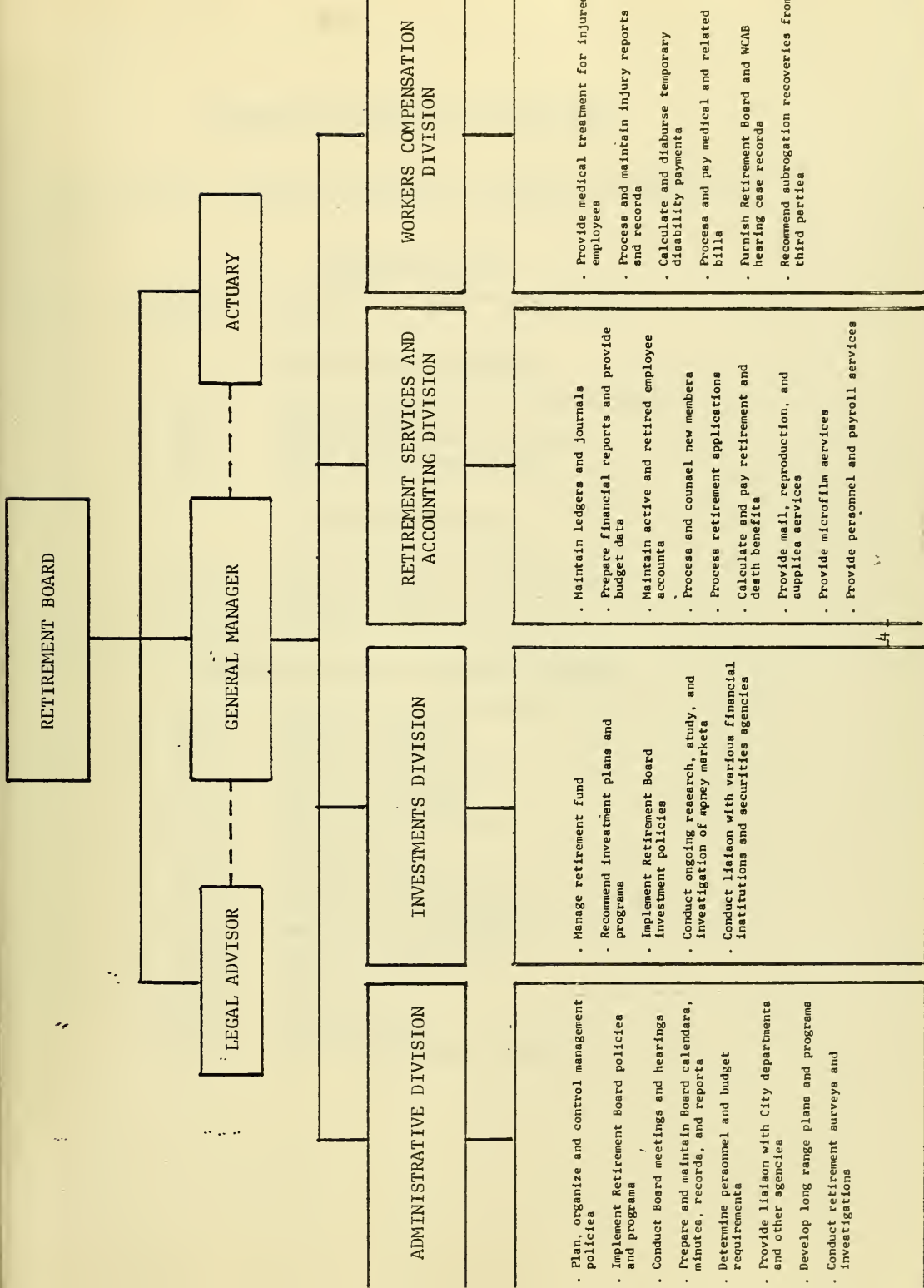


- 1939 - Hetch-Hetchy employees admitted into System
- 1947 - 1-2/3% formula at age 60 instituted. Mandatory retirement age changed to 65 years. Elected officials admitted into the Retirement System, exclusive of members of the Board of Supervisors
- 1951 - Retirement Board authorized to allow members to live outside the City limits for health reasons only
- 1960 - Social Security coverage for City employees authorized, except Police and Fire uniformed personnel, with a 50% retirement allowance provision offset.
- 1964 - Cost of living increases (up to 2% per year) authorized retired employees
- 1968 - 50% retirement allowance offset plan for Social Security coverage discontinued
- 1968 - Deputized Sheriff personnel authorized to transfer State Public Employees Retirement System (PERS) - (Actual transfer occurred in 1973)
- 1972 - School teachers allowed to transfer to State Teachers Retirement System (STRS)
- 1973 - Miscellaneous employee benefit formula changed from 1-2/3% to 2% at age 60; minimum retirement age reduced to age 50 and disability formula increased to 1-8/10% of average final compensation



- 1976 - Electorate approves three new retirement plans (reduced benefits): Miscellaneous employees hired after November 1, 1976; Police Officers hired after November 1, 1976; and Firefighters hired after November 1, 1976
- 1978 - Mandatory retirement at age 65 abolished for all members of the System except Police - Fire









## RETIREMENT SYSTEM POSITION ALLOCATION

For fiscal year 1978-79, the Retirement System was authorized a total of 76 permanent positions which were allocated in the following manner.

### RETIREMENT BOARD

1 - 1112 Retirement System General Manager  
1 - 1816 Actuary

### ADMINISTRATIVE DIVISION

1 - 1110 Executive Assistant to General Manager  
1 - 1815 Management Aide  
1 - 1476 Senior Claims Process Clerk  
1 - 1446 Senior Clerk Stenographer  
1 - 1202 Personnel Clerk

### INVESTMENTS DIVISION

1 - 1115 Chief Investment Officer  
2 - 4332 Assistant Chief of Investments  
1 - 4331 Security Analyst  
1 - 1450 Principal Clerk Stenographer

### MEMBER SERVICES AND ACCOUNTING DIVISION

1 - 1114 Administrator, Retirement Services  
1 - 1814 Assistant Actuary  
1 - 1656 Head Accountant  
2 - 1654 Principal Accountant  
1 - 1652 Senior Accountant  
1 - 1829 Operations Analyst  
1 - 1842 Management Assistant  
1 - 1650 Accountant  
1 - 1408 Principal Clerk  
3 - 1634 Principal Account Clerk  
1 - 1750 Microphoto Technician  
1 - 1446 Senior Clerk Stenographer  
6 - 1632 Senior Account Clerk  
5 - 1202 Personnel Clerk  
1 - 1404 Clerk  
2 - 1424 Clerk Typist  
3 - 1630 Account Clerk  
2 - 1602 Calculating Machine Operator



RETIREMENT SYSTEM POSITION ALLOCATION

WORKERS COMPENSATION DIVISION

1 - 8166	Compensation Claims Supervisor
3 - 8165	Assistant Compensation Claims Supervisor
1 - 2230	Physician Specialist
2 - 2220	Physician
5 - 8140	Retirement System Investigator
1 - 1650	Accountant
3 - 1476	Senior Claims Process Clerk
1 - 1446	Senior Clerk Stenographer
2 - 1440	Medical Transcriber
1 - 1632	Senior Account Clerk
4 - 1630	Account Clerk
2 - 1474	Claims Process Clerk
1 - 1426	Senior Clerk Typist
2 - 1404	Clerk
1 - 1424	Clerk Typist

In addition, the Retirement System was authorized 23 temporary positions and 21 CETA positions, all of which were allocated to the various divisions as needed.



# RETIREMENT SYSTEM ADMINISTRATIVE BUDGET<sup>(1)</sup>

## Two-Year Comparison

	<u>1978-1979</u>	<u>1977-1978</u>
PERSONAL SERVICES		
Salaries	\$ 1,041,346	\$ 1,018,469
Retirement Contributions	182,842	190,875
Other benefits	94,441	113,478
Prior service benefits		394,676
MATERIALS AND SUPPLIES	16,493	10,049
OTHER SERVICES AND CHARGES		
Professional Services	968	657
Auditing	20,000	20,000
Actuarial	51,000	51,000
Legal	152,182	88,090
Data Processing	300,179	319,182
COMMUNICATIONS		
Telephone	13,527	16,900
Postage	23,988	23,280
RENTALS		
Office space	57,245	63,768
Copy machine	17,249	25,747
REPAIRS AND MAINTENANCE	2,344	1,638
MISCELLANEOUS	<u>12,855</u>	<u>12,534</u>
TOTAL	\$ 1,988,659	\$ 2,350,343

(1) Does not include Investments Division (see following page)



# INVESTMENTS DIVISION BUDGET

## Two-Year Comparison

	<u>1978-1979</u>	<u>1977-1978</u>
PERSONAL SERVICES		
Salaries	\$ 119,528	\$ 121,500
Retirement Contributions	23,370	Note 1
Other benefits	9,399	Note 1
MATERIALS AND SUPPLIES	1,250	
OTHER SERVICES AND CHARGES		
Professional Services		
Investment Counseling Fees	100,000	95,000
Cashiering, etc.	7,471	3,422
Miscellaneous paid for prior fiscal year	25,171	15,689
COMMUNICATIONS		
Telephone	4,959	
Postage	2,000	
TRAVEL EXPENSE	770	
RENTALS		
Office space	17,676	14,040
Video equipment	16,093	15,570
MISCELLANEOUS SERVICES AND CHARGES	<u>4,451</u>	<u>7,913</u>
TOTAL	\$ 332,138	\$ 273,134

Note 1: Retirement contributions and other benefits paid from regular budget appropriation

## COMBINED BUDGET RETIREMENT SYSTEM - INVESTMENTS DIVISION

### Two-Year Comparison

	<u>1978-1979</u>	<u>1977-1978</u>
RETIREMENT SYSTEM	\$ 1,988,659	\$ 2,350,343
INVESTMENTS DIVISION	<u>332,138</u>	<u>273,134</u>
TOTAL	\$ 2,320,797	\$ 2,623,477





## I RETIREMENT BOARD

The Retirement Board of the City and County of San Francisco is currently in its 57th year of service to employees of the city and county, as well as all classified employees of the two school districts, the San Francisco Unified School District and the San Francisco Community College District.

Charter Sections 3.670, 3.671 and 3.672 place exclusive control of the management of the Retirement System and the administration and investment of its funds in the hands of the Retirement Board. In accordance with the charter, the Board consists of seven members: President of the Board of Supervisors, three members appointed by the Mayor, and three members elected from the active members.

The members appointed by the Mayor shall be either a doctor of medicine or shall be experienced in life insurance, actuarial science, employee pension planning or investment portfolio management. No more than one doctor of medicine may serve on the Board at any one time. Each member appointed by the Mayor shall be from among a list of names submitted by a committee consisting of two members each of the San Francisco Medical Society, Bar Association of San Francisco, San Francisco Real Estate Board, and the San Francisco Chamber of Commerce.

As of June 30, 1979, members of the Retirement Board were:

Meta K. Stanley, President: Mayoral appointee

William F. Kidd, Vice-President: Employee-member,  
San Francisco Police Department



Leon Bruschera: Employee-member, San Francisco Fire Department

Warren J. DeMerritt: Employee-member, San Francisco Municipal Railway

Ellison C. Grayson: Mayoral appointee

John L. Molinari: President, Board of Supervisors

Raymond L. Weisberg, M. D.: Mayoral appointee

With the exception of the President of the Board of Supervisors, the term of office of each Board member shall be five years.

The Board's major functions and responsibilities consist of several broad but comprehensive activities:

1. Determination of policies with respect to the management and administration of the Retirement System.
2. Determination and approval of a diversified investment program.
3. Hearing and determining applications for disability retirement.
4. Approving all service retirements and death benefits.
5. Approving contractual obligations, the transfer and appropriation of funds for the administration of the System, subrogation settlements, and other related activities.
6. Approving and fixing rates of contribution and interest earnings (members and City and County) as recommended by the Board's consulting actuary.

The following is a list of the number and type of Board hearings conducted during the fiscal year 1978-79.

Number of Board meetings	29
Disability applications submitted	269



a. Ordinary disability	136
1. Granted	134
2. Denied	2
b. Industrial disability	133
1. Granted	76
2. Denied	44
3. Continued	13
Industrial injury determinations only	22
1. Granted	14
2. Denied	8
W.C.A.B. settlements made	81
Subrogation settlements made	35
Death benefit allowance granted	9

The Retirement Board also authorized the payment of self-incurred medical bills in the amount of \$16,933.64. The cost to the City and County for payment of self-incurred medical bills for the past five fiscal years is shown below:

1974-75	\$ 26,142.91
1975-76	12,507.44
1976-77	13,339.40
1977-78	8,325.50
1978-79	<u>16,933.64</u>
Total	\$ 77,248.89

The charter of the City and County of San Francisco places exclusive control of the administration and investment of Retirement System funds in the hands of the Retirement Board. These funds are derived from member



contributions, City and County, School District, and Community College District contributions, and interest earnings on the diversified investments of the fund. On the close of business June 30, 1979, the fund totalled \$42,279,526, an increase of \$90,414,164 over the previous fiscal year's amount.

The Retirement Board, based on investment earnings, plan experience, current mortality tables and related factors, annually sets rates of contribution for miscellaneous members of the System covered under Section 8.509 and for the City and County of San Francisco, the Unified School District and the Community College District. In addition, again as a result of interest and other investment earnings, the Board annually sets the rate of interest earnings for members of the System. During 1978-79, the Board authorized an increase in member interest earnings from 5.0% to 5.5% effective July 1, 1979.

In addition to the activities listed above, the Retirement Board, during 1978-79 authorized the staff to submit to the Board of Supervisors three proposed charter amendments for the November 1979 municipal ballot:

- a. To declare the Retirement Fund a "Trust", said fund to be administered exclusively on behalf of the members of the System and their beneficiaries.
- b. To allow the Retirement Board to establish its own budget, said funds to be derived from the contributions to the City and County.
- c. To allow for the timely and expeditious investment of funds by authorizing the deposit of funds in a recognized financial institution.





Finally, during 1978-79, three Retirement Board members were replaced. Due to the untimely and grievous death of Mayor George R. Moscone, Dianne Feinstein, President of the Board of Supervisors and ex officio member of the Retirement Board, was appointed Mayor to fill out Mr. Moscone's unexpired term of office. Supervisor John L. Molinari was elected President of the Board of Supervisors, and by virtue of that office, replaced Mrs. Feinstein on the Retirement Board.

Clayton Lyon, M. D. and Mr. Dean Anderson, two long time members of the Retirement Board whose terms of office expired during the fiscal year, were replaced by Raymond L. Weisberg, M. D. and Ellison C. Grayson respectively. Both are mayoral appointees.



## II ADMINISTRATIVE DIVISION

The Retirement Board appoints a Secretary-General Manager, who acts as the Appointing Officer of the Retirement System, to discharge and implement the policies, directives and objectives of the Board. The Board also appoints an Actuary. The position of Secretary-General Manager is subject to the Civil Service provisions of the charter, while the Actuary serves at the pleasure of the Board.

The Retirement Board is also authorized by charter to contract the services of a Consulting Actuary, as well as such other consultants the Board deems necessary to conduct ongoing actuarial valuations, studies, and investigations of the System.

The General Manager, as Appointing Officer, performs in the capacity of a department head with all the attendant responsibilities, i.e., the appointment and removal of all personnel; determination of job assignments; administrative and management policies, directives, etc.

As Appointing Officer and Chief of the Administrative Division, the General Manager is responsible for the total operation of the Retirement System which comprises four major divisions: Administrative Division, Retirement Services and Accounting Division, Investments Division, and Workers Compensation Division. As of June 30, 1979, there were a total of 97 employees in the Retirement System, including 52 permanent employees, 23 limited tenure employees, and 22 CETA employees.



The Administrative Division is chiefly responsible for the execution and implementation of Board policies and directives; the preparation and distribution of Board meeting calendars, minutes, and the required case material; the development and implementation of diverse management and personnel directives and programs; the conduct of surveys; formulation and approval of the department's budget; direct liaison with City Hall, i.e., Board of Supervisors, Mayor's Office, Civil Service Commission, and other governmental departments. The Division also prepares and disseminates a variety of reports and correspondence relevant to Retirement System and Board activities.

During fiscal year 1978-79, the Administrative Division engaged in a number of projects and programs, including, but not limited to:

1. The commencement and implementation of a city-wide deferred compensation plan.
2. The elimination of the requirement for mandatory retirement at age 65.
3. The comprehensive study of all sections of the charter covering retirement provisions in order to meet and confer with the Charter Revision Commission. (Presentation was made to the Charter Revision Commission on June 18, 1979.)
4. Participation in a comprehensive four-day management seminar conducted by the Mayor's Office.
5. The completion of a job structure study as a preliminary to the creation of a professional level Civil Service series of retirement classes.



Implementation of the Deferred Compensation Plan began on January 1, 1979. The plan, entirely voluntary, provides a tax-sheltered means to supplement future retirement and Social Security benefits. Members of the plan may select a choice of investment options, such as a guaranteed interest account, a bond account, a common stock account, or a combination thereof.

Employee response to the plan in its opening year has been very encouraging. The following is a breakdown of plan membership as of June 30, 1979.

<u>SALARY RANGE</u>	<u>NUMBER OF PARTICIPANTS</u>	<u>PERCENT</u>
Under \$10,000	32	3
\$10,000 to \$13,999	167	15
\$14,000 to \$17,999	185	17
\$18,000 to \$24,999	479	43
Over \$25,000	<u>239</u>	<u>22</u>
TOTAL	1,102	100

The Retirement Board was informed by the Plan Administrator that this is an extraordinary enrollment and, quite possibly, the largest initial enrollment of any deferred compensation program in the United States. The first sign-up period, January 1 through March 31, 1979, produced \$292,275 in contributions. By June 30, 1979, this figure had grown to \$987,544.





The Retirement System operates under various controls set forth by the charter of the City and County of San Francisco, ordinances of the Board of Supervisors (Administrative Code), State of California statutes (Workers Compensation), and rules, regulations, and policies of the Retirement Board. In order to ensure compliance with these controls, the Administrative Division closely monitors the System on a continuing basis.

Each odd-numbered year, the Actuary and Consulting Actuary firm provide an actuarial valuation of the System, and each odd-numbered year, an investigation of plan(s) experience. Based on the analyses of these surveys, the Administrative Division prepares annual reports of its findings for the Retirement Board. The Actuary and Consulting Actuary firm also undertake periodic actuarial surveys to determine the costs of proposed legislation that would amend, revise, or add retirement benefits.

Working in close conjunction with the Administrative Division is a Deputy City Attorney. Assigned by the City Attorney's Office, the Deputy City Attorney advises and assists the Retirement Board on all cases involving determination of eligibility for disability retirement and death benefits of the System's members; represents the System in all litigation affecting its interests; and provides legal advice and opinions to Board and staff on the manifold retirement matters governed by the charter and the Administrative Code of the City and County of San Francisco. Two other Deputy City Attorneys are



also assigned on a full time basis to represent the Retirement System on all claims filed before the State Workers Compensation Appeals Board.

Summing up, the Administrative Division continues to develop and manage a wide range of programs that implement both internal operations and Board activities. It also maintains a strong supportive role in providing requisite assistance to other departments, including the San Francisco Unified School District and the Community College District. Keeping a constant focus on the steady improvement of service, the Retirement System has earned the confidence of offices throughout city government.



### III INVESTMENTS DIVISION

The function of the Investments Division is to invest the System's assets to ensure that adequate funds will be available to provide the members their full benefits upon retirement.

To accomplish this function, investments are divided into four categories: 1. short term; 2. common stocks; 3. long term bonds; and, 4. real estate.

Short term investments are held in commercial paper which is unsecured notes issued for a maximum of 270 days by large industrial and finance companies. These investments are a method of earning additional income on inflows of funds from contributions as well as interest and dividend income. This investment, as the name implies, is very short term and is used as a holding device for funds awaiting employment in one or more of the larger term investment vehicles.

Common stocks were added to the investment program about ten years ago. The theory on equity investments is that the market price over a span of time will appreciate as companies' earnings and dividends increase. This has the potential to be a form of inflation protection.

The bond segment is approximately 70% of the total portfolio. Bonds are purchased on a regular basis which provides the opportunity to take advantage of changes in interest rate levels over a protracted time period. Care is taken that some portion of the bond portfolio



will mature each year, reaching out beyond the year 2000. This provides a continuous inflow of funds and a further method of taking advantage of interest rate fluctuations at various intervals.

Real Estate investments were begun a little over a year ago through the System's participation in a limited partnership with other institutional investors. The partnership purchases equity positions in, for example, shopping centers and commercial buildings. The escalating value of land and buildings is expected to enhance the portfolio yield through lease rental payments and capital gain at a future sale of owned property. The return expected is between 8.5% to 8.8%, plus, appreciation in the value of the holdings.

Much time and emphasis is expended in analytical endeavors. A constant flow of information is studied for new investment outlets and those securities in the present portfolio are continuously monitored.

Earning high yields is an important element of the Investments Division program. However, this must be blended with preservation of capita and a sufficiency of funds to meet the future's retirement requirements.

During fiscal year 1978-79, the Retirement System investment portfolio continued to register appreciable gains and to perform very well compared to other similar institutional holdings. For example, the book value of the entire portfolio rose \$90,414,164 over the previous fiscal year, with \$27,078,353 resulting from increased amortized bond values and with \$43,335,811 resulting from book value equity in-





creases. It is virtually certain that the portfolio will reach, if not exceed, the one billion dollar mark during the ensuing fiscal year. In addition, total income received grew \$7,415,825. This was divided between \$6,149,177 bond interest and \$1,266,648 equity dividends. Further, the mean book value yield on the entire portfolio rose .23% to 6.22% and the mean book yield on the bonds increased .33% to 6.96%. Finally, an additional \$20,000,000 investment was made in the real estate limited partnership. Overall, the portfolio continued a qualitative and quantitative strengthening process which characterizes a five-year growth period.



# A STATISTICAL HISTORY OF THE INVESTMENT PORTFOLIO

Fiscal year ended 6/30/79	Book Value of Portfolio (1)	Total Income from Portfolio	Mean Book Yield on Portfolio	Year End Book Yield on Portfolio	Adjusted (6) Year End Yield on Portfolio	Realized Gains (losses) on Equity	Realized Gains (losses) on Bonds
1971	510,132,637	23,025,297	4.78	4.51	4.39	590,267	(1,233,161)
1972	571,196,850	24,936,411	4.65	4.44	4.57	4,965,220	(4,243,596)
1973	604,049,911	28,125,428	4.83	4.66	4.61	595,554	( 866,095)
1974	593,578,969*	29,336,405	4.89	4.90	3.93	(5,576,667)	( 194,490)
1975	645,195,853	33,174,595	5.33	5.14	4.77	(1,620,198)	( 742,012) (2)
1976	696,481,480	34,264,156	5.11	4.92	4.94	( 35,226)	( 484,351) (4)
1977	762,831,987	39,974,495	5.48	5.24	4.79	168,590	(3,590,647)
1978	851,865,422	48,370,166	5.99	5.68	4.93	(2,297,395)	(5,075,532)
1979	942,279,586	55,785,991	6.22	5.92	5.05	(3,777,931)	(4,404,506)

Fiscal Year ended 6/30/79	Total realized Gains/ (losses) on Portfolio	Amortized Bond Value at year end (3)	Book Equity value at year end	Bond Interest for year	Equity div. for year	Book Yield on Bonds (mean value)	Book Yield on Equities (mean value)	Real estate
1971	(642,894)	459,385,382	50,747,255	31,858,379	1,166,918	4.94	2.96	20,000,000**
1972	721,624	452,177,329	109,019,521	22,835,296	2,101,115	5.01	2.63	40,000,000
1973	(270,541)	475,220,237	128,829,624	24,244,488	3,880,940	5.23	3.26	
1974	(5,771,157)	475,055,118	123,533,851	24,483,431	3,852,974	5.36	3.05	
1975	(2,342,210)	500,566,998	144,620,855	29,059,016	4,115,579	5.96	3.07	
1976	( 519,577)	527,462,626	169,018,854	29,327,488	4,936,668	5.71 (5)	3.15	
1977	(3,422,057)	590,300,163	172,531,825	33,791,740	6,182,755	6.05	3.48	
1978	(6,372,927)	678,800,178	152,065,244	42,092,272	6,277,894	6.63	3.85	
1979	(8,182,237)	706,878,531	195,401,955	48,241,449	7,544,542	6.96	4.34	

(1) Includes only assets under investment management - excludes receivables and cash in Treasury.

(2) Includes recognized loss of \$675,000 on Franklin National Bank Debentures.

(3) Includes commercial paper.

(4) Includes recognized loss of \$224,999 on Franklin National Bank Debentures.

(5) Drop in yield and income for bonds was result of large shift from commercial paper into equities.

(6) Income includes gains and losses.

\* Reduction due to School Teacher Transfer to SMS

\*\* Initial Investment in Real Estate - no yield as yet.



TABLE 1 - PORTFOLIO INVESTMENTS AS OF 6/30/79

Group	Cost	Market value	Gain/loss	Income	Yield at Cost
Real Estate	\$40,000,000	\$40,000,000			
Notes	48,058,000	45,058,000		\$4,706,001	9.8%
Bonds					
U.S. Tsy & Fed. Agencies	104,049,551	96,335,150	\$ 7,714,401-	8,303,414	8.0
International Agencies	11,349,482	10,185,750	1,163,732-	853,813	7.5
Foreign Bonds	31,295,181	27,977,751	3,317,430-	2,613,146	8.3
Corporate Bonds	509,348,070	426,702,527	82,645,543-	35,677,018	7.0
Total Bonds	656,042,284	561,201,178	94,841,106-	47,447,391	7.23%
Convertible Securities	2,778,247	1,367,925	1,410,322-	134,850	4.9
Common Stocks	195,401,055	191,179,020	4,222,035-	8,666,147	4.4
Total Portfolio	942,279,586	841,806,123	100,473,463-	60,954,389	



SAN FRANCISCO CITY & COUNTY EMPLOYEES RETIREMENT SYSTEMS

TABLE 2 - ANALYSIS OF BOND HOLDINGS AS OF 6/30/79

Type	Cost	% of cost	Market Value	Gain/loss	Income	Yield at Cost
Real Estate	\$40,000,000		\$40,000,000			
Notes	48,058,000		48,058,000		\$4,706,001	9.8%
U.S. Tsy & Fed. Agencies	104,049,551	15.6	96,335,150	\$7,714,401-	8,303,414	8.0
International Agencies	11,349,482	1.7	10,185,750	1,163,732-	853,813	7.5
Canadian Govt. Bonds	4,987,500	0.8	4,575,000	412,500-	431,250	8.6
Canadian Bonds	26,307,681	4.0	23,402,751	2,904,930-	2,181,896	8.3
Corporate Bonds						
Banking and Finance	104,932,390	15.9	98,329,256	6,603,134-	8,410,026	8.0
Industrials	87,647,662	13.3	83,669,820	3,577,842-	7,581,796	8.7
Railroads	6,654,420	1.0	6,111,505	542,915-	546,313	8.2
Railroad Equip. Trust Cfs.	20,138,587	3.0	19,196,793	941,794	1,686,566	8.4
Public Utilities	237,280,358	36.0	76,546,325	60,734,033	13,688,108	5.8
Private Placements	52,694,653	8.0	42,848,828	9,845,825-	3,764,209	7.1
Total Corp. Bonds	509,348,070		26,702,527	82,645,543-	35,677,018	7.0
Convertible Bonds	2,778,247	0.4	1,367,925	1,410,322-	134,850	4.9
Total Bonds	746,878,531		650,627,103	96,251,428-	55,288,242	





TABLE 3 - DISTRIBUTION OF BONDS BY QUALITY RATING - FACE VALUE - AS OF 6/30/70

MOODY'S RATINGS	AMOUNT
U.S. Government	
AAA	38,707,000
International Agencies	
AAA	11,350,000
Corporate	
AAA	46,987,000
AA	59,330,000
A	105,958,000
BAA	19,207,000
CMA	2,760,000
Foreign Bonds	
AAA	8,350,000
AA	19,120,000
Total Rated Bonds	311,769,000
Non-rated by Moody's	AMOUNT
Banking & Finance	24,000,000
Federal Agencies	50,760,547
Foreign Bonds	4,338,000
Real Estate	40,000,000
Notes	48,058,000
Private Placements	52,805,080
Other non-rated	27,540,500
Total Non-rated Bonds	247,502,127
Grand Total:	559,271,127



TABLE 4 - DISTRIBUTION OF BOND HOLDINGS BY MATURITIES - FACE VALUE - AS OF 6/30/79

Bonds Maturing	AMOUNT
1979	55,224,000
1980-1984	68,114,000
1985-1989	67,738,971
1990-1994	89,647,500
1995-1999	116,554,109
2000-2004	31,750,035
2005-2009	56,969,512
2010-2014	17,273,000
2015 and over	16,000,000
Total:	519,271,127

THE ABOVE TABLE APPLIES TO BONDS CARRYING MATURITY DATE ONLY.



TABLE 5 - ANALYSIS OF COMMON STOCK INDUSTRY DIVERSIFICATION AS OF 6/30/79

RANK	INDUSTRY	NUMBER OF COMPANIES	COST VALUE	MARKET VALUE	% TOTAL MARKET VALUE	GAIN/LOSS	% GAIN/LOSS
1	Oils - Domestic	3	\$16,517,453	\$20,600,000	10.8 %	\$ 4,082,547	24.7 %
2	Finance companies	2	12,620,181	15,137,500	7.9	2,517,319	19.9
3	Office Equipment and EDP	2	13,524,795	14,074,750	7.4	548,955	4.0
4	Drugs	3	13,850,083	14,018,750	7.3	168,667	1.2
5	Banks	2	11,466,090	12,637,500	6.6	1,171,410	10.2
6	Restaurants and hotels	2	8,677,443	9,012,500	4.7	335,057	3.8
7	Electronics	2	8,683,663	8,752,500	4.6	68,837	.7
8	Farm equipment and trucks	1	6,897,087	7,775,000	4.1	877,913	12.7
9	Utilities - Communications	1	5,828,753	7,103,230	3.7	1,274,477	21.8
10	Machinery	1	5,751,225	6,750,000	3.5	998,775	17.3
11	Service Industries	1	5,885,536	6,482,250	3.4	596,714	10.1
12	Construction	2	7,668,171	6,395,000	3.3	1,273,171-	16.6-
13	Utilities - Electric	2	6,682,904	6,282,250	3.3	400,654-	5.9-
14	Retail trade	2	8,313,318	6,225,000	3.3	2,088,318-	25.1-
15	Oil Equipment	1	4,450,888	5,537,500	2.9	1,086,612	24.4
16	Insurance - Life	1	3,966,625	4,425,000	2.3	458,375	11.5
17	Lumber and Plywood	1	4,337,057	4,027,140	2.1	309,917-	7.1-
18	Broadcasting	1	4,728,648	3,909,450	2.0	819,198-	17.3-
19	Aerospace	1	4,277,885	3,875,000	2.0	402,885-	9.4-
20	Soft drinks	1	4,556,525	3,806,250	2.0	750,275-	16.4-
21	Airlines	2	5,802,165	3,671,648	1.9	2,130,517-	36.7-
22	Food	1	4,203,363	3,637,188	1.9	566,175-	13.4-
23	Paper	1	4,424,502	3,125,000	1.6	1,299,502-	29.3-
24	Automotive	1	4,000,000	3,075,820	1.6	924,180-	23.1-
25	Chemicals	1	3,443,453	2,775,000	1.5	668,453-	19.4-
26	Cosmetics and toiletries	1	3,809,014	2,580,700	1.3	1,228,314-	32.2-
27	Miscellaneous	1	1,819,822	2,081,250	1.1	261,428	14.3
28	Steel and Iron Ore	1	3,456,264	1,848,750	1.0	1,607,514-	46.5-
29	Sporting Goods	1	2,329,993	802,500	.4	1,527,493-	65.5-
30	Apparel	1	2,047,752	445,594	.2	1,602,158-	78.2-
31	Photography and Optical	1	1,380,397	310,000	.2	1,070,397-	77.5-
	TOTAL	44	195,401,055	191,179,020	100%	4,222,035-	2.1-



IV RETIREMENT SERVICES AND ACCOUNTING DIVISION

This Division is charged with overall responsibility for enrollment of members in the Retirement System, maintenance of members' contribution accounts and the calculation and payment of retirement benefits.

In the preceding two fiscal years (1977-78 and 1978-79) it became increasingly apparent that the personnel staffing for this department would not grow at a rate sufficient to that necessary for carrying out the Division's responsibilities. Consequently, a study was conducted to determine methods whereby overall productivity can be increased.

The study indicated that the creation of a new series of classes of professional retirement administrators would greatly enhance the flexibility of staff and afford the division greater latitude in personnel assignments. The concept was discussed with appropriate City officials and approved by the Mayor and the Board of Supervisors.

A new series of classes was added to the 1979-80 budget, replacing other, more restrictive classes. Hiring against these new classifications should be accomplished during the ensuing fiscal year.

The Accounting unit's primary responsibilities are:

1. To record and classify activities relating to the receipt of revenues
2. The payment of benefits and administrative expenses

This year, for the first time in a decade, all 24,000 active member accounts in the computer file have been updated. This was done to more





closely coordinate the implementation of a workable acceleration program between the Controller's EDP section and Retirement Services.

Also, during this fiscal year, the accounting records have been adapted to the new FIRM/FAMIS system introduced by the City. Hopefully, this system will reduce the reconciliation work between the Controller's and Retirement System's books.

In addition, funds from the Employee and City contributions are now made immediately available to the Retirement System as payrolls are processed.

On the succeeding pages, there follows a comprehensive statistical analysis of the important work performed by the Retirement Services and Accounting Division.



## 1. MEMBERSHIP SERVICES UNIT

### MEMBERSHIP

The number of active members in the Retirement System fluctuates as new members are admitted and current members leave due to retirement, termination of employment, or death. The number of active members as of June 30, 1979 is approximately 26,906.

Membership does not include those teachers of the Unified School District and Community College District who, as of July 1, 1972, became members of the State Teachers Retirement System. In addition, membership also does not include Sheriff's uniformed personnel and certain employees of the Port Authority, who are members of the State Public Employees Retirement System.

### SOCIAL SECURITY COVERAGE OF MEMBERS

All miscellaneous members of the Retirement System, except those who became members of the System prior to 1959 and who elected not to be covered by Social Security, must contribute to Social Security. Those who became members prior to 1959 were offered the opportunity to join Social Security through a series of six elections held between 1959 and 1970. Those members covered by Social Security may, however, reduce their contributions into the Retirement Fund by an amount equal to the Social Security payment, less the Medicare portion. Currently, 5.13% of gross salary is taken for the Old Age Benefit and 1.0% is deducted for the Medicare portion. (Only salary monies up to \$22,900 are subject to deduction. Any salary dollars paid out in excess of that figure are subject only to Retirement deduction, not to Social Security.)

### CONTRIBUTIONS

Both the City and County of San Francisco and members of the Retirement System contribute to the Retirement Fund. Members contribute through payroll deduction based on rates effective July 1 of each fiscal year as a result of actuarial determinations and on approval of the Retirement Board. Examples of rates for Miscellaneous members covered under Charter Section 8.509 for fiscal year 1978-79 are:

<u>Nearest Age At Entry Into The System</u>	<u>All Members (Male-Female) eff. 7-1-78</u>
20	6.54%
30	7.27
40	8.44
50	10.08

Note: Rates include .50% for cost-of-living.



CITY AND COUNTY RATES OF CONTRIBUTION

FIVE YEAR COMPARISON

<u>FISCAL YEAR</u>	MISCELLANEOUS	POLICE	FIRE
	8.509 %	8.544 %	8.568 %
1974-75	16.813	33.188	30.478
1975-76	16.239	57.602	45.107
1976-77	18.47	73.90	61.09
1977-78	17.86	71.62	65.17
1978-79	20.05	86.65	89.75

The City and County made contributions for payment of prior and current service benefits for policemen retired under Section 8.540 and 8.542; firemen retired under Section 8.565 and 8.566; and for others, including matching funds, for Miscellaneous employees retired under Section 8.507.

NEW MEMBER CONTRIBUTIONS

Beginning November 2, 1976, all new members of the Retirement System were covered under new charter sections and contribute at a standard rate of 7.00%, plus .50% for cost of living. The City and County's contribution for those new members has been the following:

	<u>MISCELLANEOUS</u>	<u>POLICE</u>	<u>FIRE</u>
July 1976	14.3%	54.45%	48.64%
July 1977	13.82	53.01	47.51
July 1978	14.70	54.64	49.19

CITY & COUNTY TOTAL DOLLAR CONTRIBUTIONS

FIVE YEAR COMPARISON

1974-1975	\$60,321,480
1975-1976	71,528,955
1976-1977	94,104,965
1977-1978	97,500,000
1978-1979	105,000,000 (unaudited)



Number of Withdrawals 1974 - 1979

TYPE	1974-75	1975-76	1976-77	1977-78	1978-79
Miscellaneous (Excluding Teachers)	1121	816	1146	991	1222
Teachers	57*	412**	88	116	37
Police	14	38	37	32	52
Fire	2	3	7	6	11
Adjustments	<u>347</u>	<u>335</u>	<u>282</u>	<u>555</u>	<u>278</u>
TOTAL -	1541	1604	1560	1600	1600

Total Amounts Refunded 1974-75 -- 1978-79

TYPE	1974-75	1975-76	1976-77	1977-78	1978-79
Miscellaneous (Excluding Teachers)	1,781,416.07	1,867,169.50	2,427,600.17	2,378,871.50	4,013,297.43
Teachers	100,779.21	34,458.27	126,839.99	65,009.52	222,599.69
Police	58,445.39	190,307.11	245,754.37	207,553.09	217,505.75
Fire	7,980.07	14,324.09	22,444.60	41,315.74	34,632.49
Adjustments	<u>42,473.89</u>	<u>239,743.50</u>	<u>117,676.60</u>	<u>21,258.76</u>	<u>62,580.85</u>
TOTAL -	1,991,384.63	2,438,658.70	2,940,315.73	2,714,008.61	4,550,616.20

Note: \*The drop in number of teachers withdrawing from the Retirement System is a result of the fact that most teachers have transferred to the State Teachers' Retirement System.

\*\*Reflects Permanent Fund contributions refunded to teachers who remain members of the Retirement System





PROCESSING CENTER ACTIVITY

FY 1978-1979

The activities of the Processing Center, a facility to administratively process accession or changes in the composition of the work force of the City and County of San Francisco, are presented in tabular form below:

<u>MONTH</u>	<u>*PERMANENT MISC.</u>	<u>POLICE/ FIRE</u>		<u>PROMOTIONS</u>	<u>**OTHER</u>	<u>TOTAL</u>
		<u>P</u>	<u>F</u>			
July '78	52	0	0	33	48	133
August	125	0	0	109	35	269
September	157	0	30	82	25	294
October	146	0	0	124	21	291
November	105	56	30	89	21	301
December	101	0	0	116	14	231
January '79	131	0	30	121	25	307
February	95	0	30	101	18	244
March	158	41	0	137	27	363
April	130	0	0	97	48	275
May	149	0	0	107	37	293
June	<u>96</u>	<u>0</u>	<u>0</u>	<u>96</u>	<u>34</u>	<u>226</u>
TOTAL -	1,445	97	120	1,212	353	3,227
<u>FISCAL YEAR</u>						
1977-78	1,574	99	94	985	206	2,958
<u>FISCAL YEAR</u>						
1976-77	1,855	246		1,562	706	4,369

\*Includes rehires.

\*Limited tenure transfers, re-assignments, and involuntary leave.



## MEMBER BENEFITS UNIT

The Benefit Calculations Unit is responsible for the following functions: The computation of all new retirement allowances; adjustment of existing allowances required by legislative action; adjustment of existing allowances as required by court settlements; computation of age corrections; research, computation, and billing of Prior Service credit and the computation and payment of all death benefits and allowances.

Fiscal 1978-79 saw one major legislative change: The voters of the City and County of San Francisco approved a Charter Amendment eliminating mandatory retirement at age 65 from the Benefit provisions of the System. During fiscal 1978-79, the Benefit Calculations unit adjusted some 200 allowances due to the settlement of the Killian law suit between the City and a group of its craft employees. This adjustment is of major significance in that the law suit involved salaries for fiscal 1974-75 and, therefore, all pensions for members of these classes, commencing July 1, 1974 through the present, had to be reviewed in order to be properly adjusted.

Fiscal 1978-79 saw the placement of 853 new retirees on the retirement allowance roll. It should be noted that this figure represents the number of those retirees whose first allowance was paid during fiscal 1978-79 -- not those whose effective date of retirement was during fiscal 1978-79. This includes approximately 250 retirements which resulted from the passage of Proposition 13 in June 1978.

Following are several pages of statistics and tables relating to the various functions of the Benefit Calculations Unit, providing a profile of the characteristics of the related membership.



FIVE YEAR COMPARISON CHART OF RETIREMENT ALLOWANCES

AS OF JUNE 30 ROLL

1975-1979

ROLL TYPE	NUMBER OF ALLOWANCES			
	1975	1976	1977	1978
<u>SERVICE</u>				
Miscellaneous	6096	6491	6851	7174
Fire	622	771	779	780
Police	590	700	737	730
Teachers	—	—	43	49
Total	7308	7962	8410	8733
<u>DISABILITY</u>				
Miscellaneous	917	1001	1100	1178
Fire	480	530	610	653
Police	565	607	651	728
Total	1962	2138	2361	2559
<u>DEATH</u>				
Fire	110	108	106	104
Police	130	129	127	128
Total	240	237	233	232
<u>COMPLETE TOTAL</u>	9510	10337	11004	11524
				12075

The above Comparison Chart indicates a 23% increase (in total number of allowances being paid at June 30 over the five year period from 1975-1979. The distribution of allowances has remained fairly constant with service declining from 76.84% in 1975 to 75.56% in 1979; with disability rising from 20.63% in 1975 to 22.58% in 1979; and with death continuations declining from 2.52% in 1975 to 1.84% in 1979.



SERVICE RETIREMENTS 1978-79

(JULY-JUNE)

MISCELLANEOUS

572

## Police

Section 8.559 = 59

59

Section 166 = 0

## Fire

Section 8.585 = 58

58

Section 169 = 0

## TOTAL SERVICE RETIREMENTS 1978/79

689

DISABILITY RETIREMENTS 1978-79MISCELLANEOUS

Average age = 51.149 range 35.25-59.00

106

Average years of service = 17.240,

range 10.048-32.815

## Police

39

Non-industrial Disability = 3

Industrial Disability = 39

Section 8.559 = 39

Section 169 = 0

## Fire

19

Non-industrial Disability = 1

Industrial Disability = 19

Section 8.559 = 19

Section 169 = 0

## TOTAL DISABILITY RETIREMENTS 1978-79

164

## TOTAL RETIREMENTS 1978-79

853

CAUSES OF DISABILITY RETIREMENT, POLICE-FIRE

1978-79

	<u>Number</u>	<u>Percent</u>
Heart and vascular system	15	19
Back and neck	34	44
Injuries to lower extremities	15	19
Injuries to upper extremities	5	7
Injuries to other parts of the body	3	4
Emotional illness	1	1
Hypertension	4	5
	<u>78</u>	





Credited Years of Service  
Prior to Service Retirement

Fiscal Year 1978-79

<u>Years of Service</u>	<u>Miscellaneous</u>		<u>Years of Service</u>	<u>Police &amp; Fire</u>
	<u>Male</u>	<u>Female</u>		
0-5	19	13		
6-10	34	39		
11-15	46	55		
16-20	63	26		
21-25	55	22		
26-30	86	25	25-29	81
31-35	42	15	30-34	36
36-40	24	6	35-39	0
Over 40	<u>1</u>	<u>1</u>	Over 40	<u>0</u>
	370	202		117

Credited Years of Service  
Prior to Disability Retirement

Fiscal Year 1978-79

<u>Years of Service</u>	<u>Miscellaneous</u>		<u>Years of Service</u>	<u>Police &amp; Fire</u>
	<u>Male</u>	<u>Female</u>		
0-5	0	0		
6-10	13	4		9
11-15	22	13		14
16-20	25	3		9
21-25	10	2		6
26-30	11	0	25-29	15
31-35	3	0	30-34	3
36-40	0	0	35-39	1
Over 40	<u>0</u>	<u>0</u>	Over 40	<u>1</u>
	84	22		58

TOTAL = 853



f those members retiring for service during 1978-79, about 23.4% of the miscellaneous members and 86.3% of the policemen and firemen were under age 60. Approximately 19.6% of miscellaneous members attained age 65 at retirement. No policemen or firemen were 65 or over.

f those members retiring for disability during 1978-79, 66.0% of the miscellaneous members and 86.2% of the police and firemen were under age 65.

Age at Retirement

Fiscal Year 1978-79

<u>Retirement Age</u>	<u>Miscellaneous Employees</u>	
	<u>Service</u>	<u>Disability</u>
Under 55	30	70
55-59	104	36
60-64	326	0
65 and over	<u>112</u>	<u>0</u>
TOTAL:	572	106

	<u>Police and Fire</u>	
Under 50	0	36
50-54	72	14
55-59	29	6
60-64	16	1
65 and over	<u>0</u>	<u>1</u>
TOTAL:	117	58



RETIREMENTS FOR SERVICE AND DISABILITY

FIVE YEAR COMPARISON

<u>Year</u>	<u>Total</u>	<u>Service</u>	<u>Disability</u>
1974-1975	640	513	127
1975-1976	1075	915	160
1976-1977	815	608	207
1977-1978	706	531	175
1978-1979	<u>853</u>	<u>689</u>	<u>164</u>
Total Five Years	4089	3256	833



## DEATH BENEFITS

Death benefits in the form of monthly allowances may be payable to eligible dependents of policemen and firemen who die prior to retirement as a result of injury or illness incurred in the performance of duty. Monthly allowances may be payable to eligible dependents of all employee members prior to retirement if the member was already qualified for service retirement. The beneficiary or estate of those not so qualified receives the member's accumulated contributions plus six months salary. This lump sum benefit may be taken in lieu of the allowance, if the eligible dependent so elects.

For the eligible dependents of those already retired, there is a provision for continuation of part or all of the member's retirement allowances as a death benefit. Only those dependents of policemen and firemen who die as a result of injury or illness incurred in the performance of duty, or who die after retirement for industrial disability, are eligible to receive full continuation. However, a member at retirement may elect to receive a reduced retirement allowance in order to provide for a lifetime allowance to a survivor. Two options are available to the member for this purpose. In addition to the above, named beneficiaries of retired employees receive a lump sum benefit. This lump sum death benefit is computed at \$100 per completed year of service. Effective 3/30/78, the maximum allowable death benefit was raised from \$1000 to \$1500.

The following table shows a comparison of the number of deaths which occurred during fiscal years 1977-78 and 1978-79 and the type and number of benefits paid.

<u>TYPE OF DEATH</u>	<u>1977 - 78 NUMBER</u>	<u>1978 - 79 NUMBER</u>
Death of Active Members	54	81
Death of Retired Members	320	419
Death of Continnants	81	121
	<u>455</u>	<u>521</u>

<u>TYPE OF BENEFIT</u>	<u>NUMBER</u>	<u>NUMBER</u>
Continuations & Survivors Death Benefits	267	233
Death Claims	52	71
Death Benefits	328	437
Retired Annuitants Payments (Option 1 Benefits)	44	80
Pro-Rata Retired Allowance Payments	463	529
	<u>1154</u>	<u>1350</u>





## INDUSTRIAL DEATH ALLOWANCE

Allowances paid to eligible dependents of Police Officers and Firefighters who died as a result of injury or illness incurred in the performance of duty during the past five years were:

1974-1975	10
1975-1976	3
1976-1977	0
1977-1978	3
1978-1979	5



ACCOUNTING UNIT

I N C O M E

1978 - 1979

City Contributions	\$101,395,870
Employee Contributions	22,489,215
Bond Interest	47,682,183
Dividends	7,558,344
Profit on Stocks	(2,846,385)
Profit on Bonds	(6,602,454)
Estimated Net Accumulations	311,781
Estimated Increase in Accrued Interest Receivable	<u>734,196</u>
Total	<u>\$171,122,750</u>

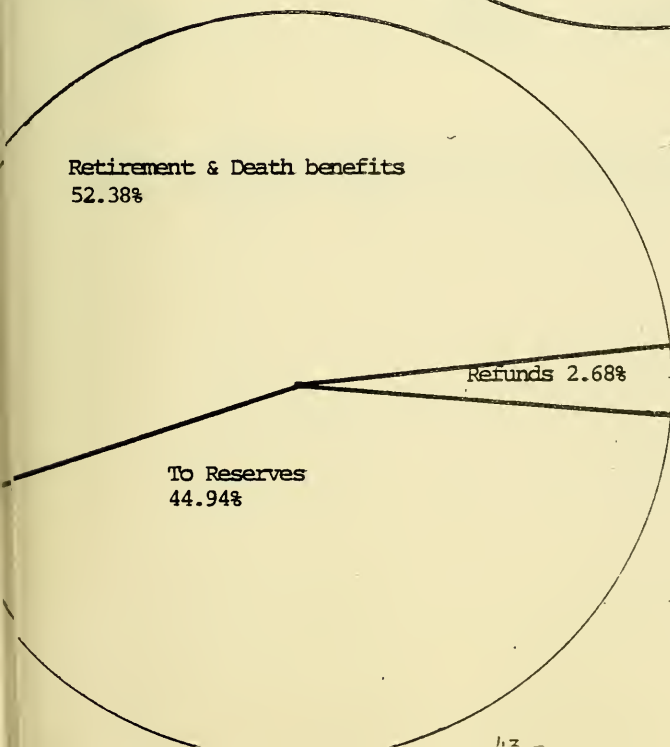
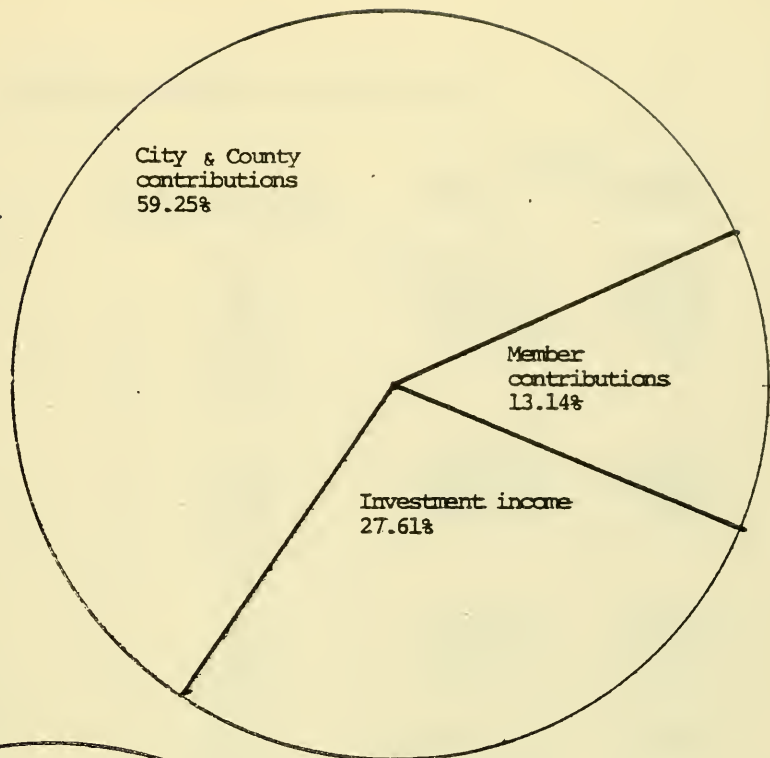
P A Y M E N T S

1978 - 1979

Retirement Allowance Rolls	\$87,559,731
Withdrawal Rolls	4,584,969
Death Benefit Rolls	553,450
Death Claim Rolls	927,208
Retired Annuitant Rolls	<u>592,237</u>
Total	<u>\$94,217,595</u>



IT CAME FROM →



← WHERE IT WENT



RETIREMENT ALLOWANCES AS OF JUNE 30, 1979

<u>Retirement Category</u>	<u>No. of Allowances</u>	<u>Amount</u>	
		<u>Total</u>	<u>Average</u>
SERVICE			
Miscellaneous*	7,519	\$3,524,124.41	\$ 468.70
Fire	794	850,867.68	1,071.62
Police	754	783,903.04	1,039.66
Teachers	<u>58</u>	2,015.41	34.75
Total	9,125		
DISABILITY			
Miscellaneous	1,262	526,326.85	417.06
Fire	687	726,692.47	1,057.76
Police	<u>778</u>	755,285.17	970.80
Total	2,727		
WIDOW ALLOWANCE			
Fire	103	104,208.04	1,011.73
Police	<u>120</u>	123,093.51	1,025.78
Total	223		
TOTAL	<u>12,075</u>	\$ 7,396,516.58	\$ 612.55

\*Includes allowances to beneficiaries of Deceased Retired Members.





1975-1979

ROLL TYPE	TOTAL MONTHLY ALLOWANCES			
	1975	1976	1977	1978
<u>Service</u>				
Miscellaneous	2,374,837.31	2,655,132.11	2,967,462.07	3,190,725.03
Fire	472,531.35	723,692.51	798,083.65	830,248.55
Police	329,716.29	635,717.25	756,441.13	742,167.11
Teachers			1,498.45	1,722.85
<u>Disability</u>				
Miscellaneous	285,457.18	337,480.61	413,247.14	454,122.85
Fire	352,506.05	477,030.15	632,322.61	686,533.69
Police	318,399.09	505,133.01	597,719.44	676,806.75
<u>Death</u>				
Fire	83,223.23	98,214.10	106,805.57	106,181.51
Police	91,390.54	118,080.76	128,386.29	129,972.19
Total:	4,308,061.04	5,550,480.50	6,401,966.35	6,818,500.53
				7,396,516.58
ROLL TYPE	AVERAGE MONTHLY ALLOWANCES			
	1975	1976	1977	1978
<u>Service</u>				
Miscellaneous	389.57	409.04	433.14	444.76
Fire	759.70	938.64	1,024.50	1,064.42
Police	558.84	908.16	1,026.38	1,016.67
Teachers			34.85	35.16
<u>Disability</u>				
Miscellaneous	311.29	337.14	375.68	385.50
Fire	734.39	900.15	1,036.59	1,051.38
Police	563.54	832.17	918.16	929.68
<u>Death</u>				
Fire	756.57	909.38	1,007.60	1,020.98
Police	703.00	915.35	1,010.92	1,015.41
Total:	453.00	536.95	581.79	591.68
				612.55



# REGULAR CONTRIBUTIONS

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u> (Unaudited)
CURRENT SERVICE RESERVES					
General	\$ 22,969,364	\$ 33,851,647	\$ 35,002,523	\$ 43,331,930	49,698,205
Police	10,050,807	10,871,263	17,734,482	26,310,814	22,584,574
Fire	<u>7,760,445</u>	<u>9,256,007</u>	<u>13,708,425</u>	<u>21,677,362</u>	<u>18,774,726</u>
<u>Total</u>	\$ 40,780,616	\$ 53,978,917	\$ 66,445,430	\$ 91,320,106	\$ 91,057,505
CURRENT SERVICE BENEFIT					
General	\$ 7,990	\$ 5,937	\$ - 0 -	\$ - 0 -	\$ - 0 -
Police	417,699	461,151	453,022	590,515	507,790
Fire	<u>3,030,617</u>	<u>3,333,490</u>	<u>3,284,923</u>	<u>4,137,599</u>	<u>3,644,103</u>
<u>Total</u>	\$ 3,456,306	\$ 3,800,578	\$ 3,737,945	\$ 4,728,114	\$ 4,151,893
PRIOR SERVICE BENEFIT					
General	\$ 334,745	\$ 380,575	\$ 634,475	\$ 508,092	\$ 737,836
Police	765,294	771,884	683,418	677,118	636,259
Fire	<u>1,491,767</u>	<u>1,389,526</u>	<u>1,296,980</u>	<u>1,228,100</u>	<u>1,181,919</u>
<u>Total</u>	\$ 2,601,806	\$ 2,541,985	\$ 2,614,873	\$ 2,413,310	\$ 2,556,014
<u>Grand Total</u>	\$ 46,838,728	\$ 60,321,480	\$ 72,798,248	\$ 98,461,530	\$ 97,765,412



FIVE YEAR ANALYSIS OF MEMBERS' CONTRIBUTIONS

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u> <u>Unaudited</u>
Members' Contributions					
Normal					
General	11,953,795	15,919,909	15,940,208	16,401,209	16,995,423
Police	1,923,626	2,122,392	2,134,583	2,406,936	2,096,686
Fire	<u>1,66,581</u>	<u>1,963,504</u>	<u>1,918,023</u>	<u>2,150,993</u>	<u>1,889,328</u>
Subtotal:	15,544,002	20,005,805	19,992,814	20,959,138	20,981,437
Additional	33,682	29,853	25,681	19,821	21,894
Redeposits of Withdrawn Contributions	<u>66,892</u>	<u>49,453</u>	<u>87,694</u>	<u>149,850</u>	<u>93,932</u>
<u>Total</u>	\$ 15,644,576	\$ 20,085,111	\$ 20,106,189	\$ 21,128,809	\$ 21,097,263



WITHDRAWAL OF CONTRIBUTIONS

Average Amounts Refunded 1974 - 1979

TYPE	1974-1975	1975-1976	1976-1977	1977-1978	1978-1979
Miscellaneous (Excluding Teachers)	\$ 1589.13	\$ 2288.20	\$ 2118.32	\$ 2400.48	\$ 3284.20
Teachers	1768.06	253.72	1441.36	4063.10	6016.21
Police	4174.67	5008.08	6642.01	6486.03	4182.80
Fire	3990.04	4774.70	3206.37	6885.96	3148.41
Adjustments	123.24	715.65	417.29	38.30	224.85





## WORKERS COMPENSATION DIVISION

The Workers Compensation Division of the Retirement System is located at the St. Francis Hospital in San Francisco. Employees of the City and County of San Francisco and the two school districts (SFUSD and Community College) are treated for job-incurred injuries at the St. Francis Hospital on a 24 hour per day, seven day per week basis. During regular work hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., injured employees are treated at the Franciscan Treatment Room, which is staffed by Retirement System physicians. In the evenings and on weekends, injured employees are treated at facilities maintained by St. Francis Hospital.

During 1978-79, there were a total of 11,906 visits to the Franciscan Treatment Room and St. Francis Hospital facility, consisting of 5,834 first visits and 6,072 follow-ups.

There were an additional 1,200 claims filed that were not initiated at the Compensation Division that would fall into three broad categories. First, patients who were injured and treated at facilities more readily accessible to them (Hetch Hetchy Water Department, San Francisco General Hospital). Secondly, employees treated at private hospitals initially. Thirdly, claims where our first notice of a claim was an application for a hearing before the Workers' Compensation Appeals Board.

The Workers Compensation Division provides all medical case material for hearings conducted by the Retirement Board on Police-Fire disability determinations and applications. In addition, Division personnel provide similar medical case material to the Deputy City Attorneys representing the Retirement System on appeals made to the State Workers' Compensation Appeals Board.

The Workers Compensation Division calculates and disburses monthly temporary disability pay warrants to employees who are off their jobs on account of injuries incurred on the job.

In addition, the Division initiates subrogation recoveries from third parties involved in injury cases affecting city employees.

Negotiations are continuing with several private firms concerning the acquisition of EDP equipment for the processing of medical bills and disability checks. A final decision will be made on this before the end of 1979.

With the completion of the St. Francis building addition in November 1979, the additional floor space we have requested should be available. This will improve work flow procedures and enable us to consolidate all employees in one area.



FRANCISCAN TREATMENT ROOM VISITS

1978-1979.

	<u>Day</u>	<u>Night &amp; Weekend</u>	<u>Total</u>	<u>1st Visit</u>	<u>Follow-up</u>
JULY '78	840	139	979	514	465
AUGUST '78	860	122	982	525	457
SEPT. '78	843	162	1005	591	414
OCT. '78	949	153	1102	542	560
NOV. '78	757	120	877	486	391
DEC. '78	679	102	781	414	367
JAN. '79	847	149	996	481	515
FEB. '79	657	174	831	384	447
MARCH '79	920	160	1080	505	575
APR. '79	899	145	1044	467	577
MAY '79	988	235	1223	459	764
JUNE '79	841	165	1006	466	540
	<u>10,080</u>	<u>1,826</u>	<u>11,906</u>	<u>5,834</u>	<u>6,072</u>



FIVE-YEAR COMPARISON

FRANCISCAN TREATMENT ROOM PATIENT VISITS

	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>
Day Visits	8,837	10,326	9,773	10,228	10,080
Night & Weekend	1,748	1,904	1,619	1,567	1,826
Total Visits	10,585	12,230	11,392	11,795	11,906
First Visits	5,499	5,074	5,841	6,037	5,834
Follow-up	5,182	7,156	5,551	5,758	6,072

NOTE:

An undetermined number of City employees sought initial treatment at Kaiser Hospital or other medical facilities.



NUMBER OF PAID AND NON-PAID DISABILITIES

BY DEPARTMENT - 1978-79.

<u>Department</u>	<u>No. of Paid Disabilities</u>	<u>No. of Non-Paid Disabilities</u>
Board of Supervisors	5	2
Mayor	19	28
Assessor	4	3
City Attorney	6	3
District Attorney	3	13
Treasurer	0	1
Sheriff	119	52
Public Defender	4	2
Police	1,089	433
Fire	723	239
Recreation & Parks	180	157
Public Library	16	13
War Memorial	4	1
Art Commission	3	4
Fine Arts Museums	6	16
Academy of Sciences	6	4
Municipal Court	1	5
Superior Court	1	2
Juvenile Court	33	23
Adult Probation	6	2
Chief Administrative Officer	1	0
Finance & Records	1	2
Tax Collector	3	1
Registrar of Voters	2	0

(continued)





<u>Department</u>	<u>No. of Paid Disabilities</u>	<u>No. of Non-Paid Disabilities</u>
County Clerk	0	4
Public Administrator	0	2
DPW - Gen. Office/Traffic Eng.	229	211
Electricity	18	7
Pub. Health Gen. Off/Emergency	399	365
Social Services	57	55
Coroner	0	1
Weights & Measures	1	1
Controller	4	3
City Planning	1	1
Airport	64	76
Municipal Railway	552	382
Water Department	80	62
S.F. Port Commission	33	31
Hetch Hetchy	14	32
Unified School District	524	531
Civil Service Commission	2	1
Retirement System	4	11
Health Service System	2	0
Community College District	40	62
	<hr/>	<hr/>
TOTALS:	<u>4,259</u>	<u>2,850</u>



WORKERS' COMPENSATION COSTS BY DEPARTMENT

General Fund Departments	Medical Costs	Permanent Disability	Temporary Disability	Total Cost
Board of Supervisors	3,119.37	-	1,571.44	4,690.81
Director	11,359.21	51,217.09	3,902.73	66,479.03
Assessor	1,647.40	-	1,522.60	3,170.00
County Attorney	2,016.75	2,029.10	21,982.99	26,073.84
District Attorney	1,484.95	3,430.00	747.34	5,662.29
Insurance	11.90	-	-	11.90
Deputy Sheriff	78,183.37	22,013.14	30,639.13	130,835.64
Public Defender	2,166.55	100.00	1,851.10	4,177.65
Police	1,119,309.04	253,371.22	412,178.79	1,784,859.05
	807,425.35	39,548.09	144,885.45	991,858.89
Commission	1,398.40	-	401.53	1,799.93
California Academy of Sciences	10,167.61	-	8,218.91	18,386.52
Superior Court	7,803.20	3,290.00	1,828.67	12,921.87
Superior Court	814.35	-	6,324.00	7,138.35
Family Guidance	994.35	-	655.87	1,650.22
Juvenile Court	17,375.35	13,072.34	41,555.42	72,003.11
Probation	3,574.02	-	5,417.96	8,991.98
Administrative Officer			210.00	210.00
Finance & Records	2,905.32	-	-	2,905.32
Collector	405.45	-	132.00	537.45
Registrar of Voters	455.43	-	-	455.43
County Clerk	1,116.38	-	5,148.00	6,264.38
Assessing	18,270.63	1,050.00	40,913.02	60,233.65
Estate	728.65	-	396.00	1,124.65
Auditorium	192.75	-	-	192.75
General Office	133.40	-	1,540.00	1,673.40
Accounting	107.70	-	19.43	127.13
Building Repair	56,214.49	10,820.96	38,955.95	105,991.40
Building Inspection	22,680.10	-	12,922.02	35,602.12
Engineering	7,248.84	6,052.42	19,168.23	32,442.49
Street Cleaning	37,332.25	11,098.00	58,828.92	107,259.17
Sewer Repair	33,628.94	7,042.50	33,821.66	74,498.10
Traffic Engineering	1,398.25	-	484.00	1,882.25
Electricity	7,611.74	-	8,911.76	16,523.50
Central Office	20,263.40	1,964.58	32,940.02	56,168.00
Agua Honda Hospital	76,411.33	20,441.88	116,981.09	213,834.30
Mental Health Centers	20,872.78	-	17,233.65	38,106.13
P. General Hospital	189,628.14	37,619.47	213,153.85	440,401.46
Emergency Hospital	46,011.50	2,913.93	43,843.58	92,769.01
Medical Services	28,452.32	3,700.00	33,610.02	65,762.34
Cultural	645.14	-	-	645.14
Tests & Measures	33.65	-	-	33.65
Controller	1,052.15	-	1,221.93	2,274.08
Planning	397.35	-	309.40	706.75
General Office	100.00	-	-	100.00
Service Commission	862.30	-	146.67	1,008.97
Payment System	4,802.59	(2,517.44)	1,460.38	3,745.53
Total General Fund	2,648,859.14	488,230.28	1,366,035.51	4,503,124.93



SPECIAL FUND DEPARTMENTS

	<u>Medical Costs</u>	<u>Permanent Disability</u>	<u>Temporary Disability</u>	<u>Total Cost</u>
Creation & Parks	119,219.20	15,021.95	132,986.54	267,227.69
Public Library	11,853.45	-	9,490.31	21,343.76
Memorial	1,644.50	-	3,522.78	5,167.28
Arts Museums	6,572.79	-	997.50	7,570.29
Road Fund	14,149.44	-	49,402.48	63,551.92
Port	61,454.15	7,077.74	47,177.49	115,709.38
Municipal Railway	508,405.89	132,237.86	572,848.65	1,213,492.40
er	60,465.65	17,832.75	69,025.17	147,323.57
Commission	42,173.79	7,780.00	25,853.16	75,806.95
ch Hetchy Light & Power	30,494.54	11,732.50	15,921.99	58,149.03
Unified School District	322,737.05	67,654.89	262,197.45	652,580.39
Health Service System	887.95	-	92.04	979.99
SD - Child Care Centers	3,394.85	249.11	15,311.29	18,955.25
Community College District	54,802.06	4,512.80	12,988.33	73,303.19
Total Special Fund	1,238,255.31	264,090.60	1,217,815.18	2,720,161.09
Total All funds	<u>3,887,114.45</u>	<u>752,320.88</u>	<u>2,583,850.69</u>	<u>7,223,286.02</u>

General Fund:

Direct charges	\$4,503,124.93
Overhead charges	<u>118,576.32</u>
Sub-total	4,621,701.25

Special fund:

Direct charges	<u>2,720,161.09</u>
GRAND TOTAL	<u>7,341,862.34</u>



MISCELLANEOUS ACTIVITIES

A. Investigations conducted:

1) Compensation cases	126
2) Retirement Board cases	171
3) Others	<u>9</u>
TOTAL	306

B. Subpoenas served:

1) Compensation Division	79
2) Administrative Division	<u>84</u>
TOTAL	163

C. Subrogation (Third Party Recoveries):  
Cash Recoveries - Four-year Comparison

1975-76	99,805.76
1976-77	126,225.67
1977-78	127,699.75
1978-79	94,824.27





## RETIREMENT SYSTEM

### CHARTER SECTIONS BY SPECIFIC CATEGORIES

#### A. MISCELLANEOUS EMPLOYEES

- 1) 8.507 - Misc. Officers & Employees on January 8, 1932 (70 yrs)
- 2) 8.509 - Misc. Officers & Employees on or after July 1, 1947
- 3) 8.584 - Misc. Officers & Employees after November 1, 1976
- 4) 8.505 - Port Authority Employees - PERS
- 5) 8.506 - Sheriff's Employees

#### B. SOCIAL SECURITY

- 1) 8.514 - Social Security Coverage

#### C. TEACHERS

- 1) 8.508.1 - Teachers in STRS

#### D. POLICE

- 1) 8.540 - Police on January 8, 1932
- 2) 8.543 - Police January 8, 1932 to July 1, 1945
- 3) 8.544 - Police after July 1, 1945
- 4) 8.559 - Police on or after July 1, 1975
- 5) 8.586 - Police after November 1, 1976

#### E. FIRE

- 1) 8.565 - Fire on January 8, 1932
- 2) 8.567 - Fire January 8, 1932 to July 1, 1949
- 3) 8.568 - Fire after July 1, 1949
- 4) 8.585 - Fire on or after July 1, 1975
- 5) 8.588 - Fire after November 1, 1976

#### F. COMPENSATION - DISABILITY PAYMENTS

- 1) 8.515 - Compensation Insurance Payments
- 2) 8.516 - Disability Benefits - Police & Fire



## DISTRIBUTION OF EXCESS INTEREST EARNINGS

In 1967, at the request of the retired employees, the Retirement Board approved a proposal to amend the Administrative Code to allow the Retirement System to distribute, through a dividend payment method, a part or all of net interest earnings on the Retirement Fund during the previous fund year. The Board of Supervisors subsequently approved the Code modifications. Monies were paid out to both active and retired members and miscellaneous, police, and fire all benefited from this measure. A total of ten separate authorizations for dividend issuance were made between 1967 and 1973. Since then, all such excess earnings have been used to help fund cost-of-living benefits.

### EXCESS INTEREST EARNINGS DISTRIBUTED

	<u>Retired</u>	<u>Active</u>
1966-67	\$ 327,520	\$ 171,946
1967-68	370,000	230,000
1968-69	-0-	-0-
1969-70	-0-	-0-
1970-71	740,227	667,731
1971-72	571,255	448,911
1972-73	<u>746,204</u>	<u>554,182</u>
Total:	\$2,755,176	\$2,072,770

Total active and retired: \$4,828,018

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